talbros Talbros Automotive Components Ltd.
www.talbros.com

29th August, 2026

Listing Department	Listing Department
BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, Plot No. C-1, G Block
Dalal Street	Bandra Kurla Complex, Bandra (East)
Mumbai – 400 001	Mumbai – 400 051
Scrip Code: 505160	**Symbol: TALBROAUTO**

Sub: Submission of Annual Report for the Financial Year 2025-26 along with the Notice of 69th Annual General Meeting ("AGM") of the Company.

Dear Sir/Ma'am,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the **Annual Report** of the Company for the financial year 2025-26 along with the **Notice of the 69th Annual General Meeting** of the Company scheduled to be held on **Friday, 25th September, 2026 at 12.30 P.M. (IST)** through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM").

The Notice of the 69th AGM along with Annual Report for the financial year 2025-26 is being sent electronically to the members whose e-mail addresses are registered with the Registrar and Share Transfer Agent ("RTA") of the Company i.e., Kfin Technologies Limited and the Depositories viz. the National Securities Depository Limited and Central Depository Services (India) Limited. Further, in compliance with Regulation 36(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company is also sending a letter to shareholders, who have not registered their email addresses, providing the web link including exact path for accessing the Annual Report and AGM Notice.

The Annual Report along with Notice convening 69th AGM has also been uploaded on the Company's website at https://www.talbros.com/

Thanking you,

Yours Sincerely
For Talbros Automotive Components Limited
SEEMA NARANG Digitally signed by SEEMA NARANG Date: 2026.08.29 17:48:35 +05'30'
Seema Narang
Company Secretary

Talbros Automotive Components Ltd. Faridabad

Encl: As above

regd. Office : 14/1, mathura road, faridabad-121003 haryana, india . ph: +91 129 2275434/35/36/37 . fax: +91 129 2277240, 2272263 . e-mail: talbros@talbros.com
CIN : L29199HR1956PLC033107

EXPANDING

HORIZONS

WITH

ENGINEERING EXCELLENCE

Talbros Automotive Components Limited | 69th Annual Report 2025-26

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For more investor-related information, **scan the QR code** or visit: https://www.talbros.com/investors

Investor Information

Market Cap as of March 31, 2026	₹ 1,430.54 Crores
CIN	L29199HR1956PLC033107
BSE Code	505160
NSE Symbol	TALBROAUTO
Bloomberg Code	TALB:IN
ISIN	INE187D01029
Interim Dividend for FY 2025-26	10%
Final Dividend for FY 2025-26 Recommended	27.5%
AGM Date	: September 25, 2026
AGM Venue/Mode	: Video Conference (VC)/ Other Audio-Visual Means (OAVM)
AGM Deemed Venue	: Registered Office of the Company

EXPANDING HORIZONS WITH ENGINEERING EXCELLENCE

Every new horizon begins with the confidence to innovate. Engineering excellence empowers Talbros to push technological boundaries, embrace emerging opportunities and shape the next generation of mobility solutions. By combining precision engineering with technological innovation, strategic collaborations and sustainable practices, the Company is expanding its presence across emerging mobility platforms, advanced automotive technologies and global markets.

Expanding Horizons reflects Company's journey of broadening its reach through future-ready technologies, capacity expansion, global market presence and its entry into the circular economy, transforming opportunities into sustainable growth. Engineering Excellence represents the Company's unwavering commitment to precision, innovation and advanced engineering capabilities, driving the development of futuristic products for hybrid and electric vehicles while strengthening its ability to create innovative solutions for the future of mobility.

Together, these principles define Company's vision of delivering sustainable growth by continually expanding its capabilities and engineering solutions that shape the future of mobility.

Corporate Snapshot

Creating Value for a Changing World

Founded in 1956, Talbros Automotive Components Limited ('Talbros' or 'The Company') has evolved into one of India's leading manufacturers of automotive and industrial components. The Company supplies globally recognised OEMs with engineering-led, quality-assured solutions. Over nearly seven decades, it has built a strong reputation for technological excellence, manufacturing precision and an unwavering commitment to customer success.

Strategic partnerships with leading global technology companies have strengthened Talbros' manufacturing capabilities, accelerated innovation and enhanced its ability to meet evolving customer needs. Its diversified portfolio spans sealing systems, NVH solutions, forgings, chassis and suspension systems, anti-vibration products, moulded and extruded hoses and lightweight aluminium components. Through its standalone businesses and joint ventures, Talbros combines global technology with indigenous manufacturing expertise to cater to a wide range of automotive and non-automotive applications including passenger vehicles, commercial vehicles, two and three-wheelers, agricultural equipment, off-highway equipment, industrial machinery and the aftermarket.

VISION

Talbros Group's endeavour is to be a significant global player in the auto industry by being a brand of choice for all our customers and continuously enhancing employee satisfaction and stakeholder value.

MISSION

Gasket and Heat Shield

To be committed to foster and uphold our leadership in providing comprehensive sealing solutions at economical prices to our customers across all manufacturing sectors while sustaining a rewarding work environment for our supreme assets, our employees, nurtured by strong brand image and pioneering narrations.

Forging

To develop a wide range of market-driven products for auto/non-auto customers through timely delivery of quality products by having trained human resources and customer-oriented work culture.

Key Numbers

70+ Years of Experience

30+ OEM Clients

2 Global JVs

6 Product Lines

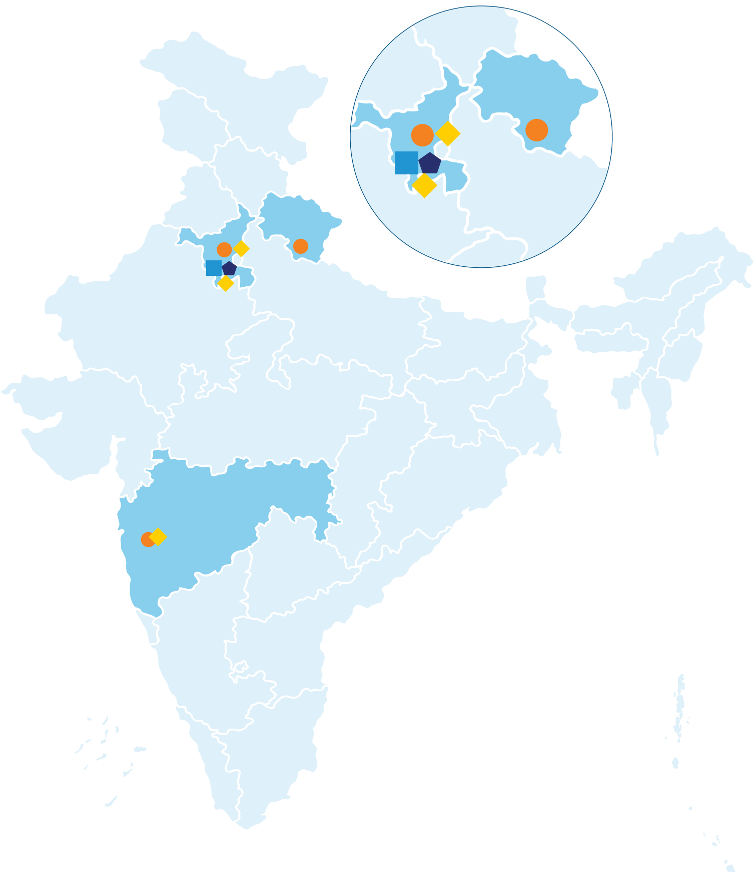
Certifications

IATF 16949:2016

ISO 14001:2015

ISO 45001:2018

Also certified through a third-party audit as an asbestos-free and environmentally friendly manufacturer



Gaskets and Heat Shield Plant

- Faridabad, Haryana (Plant and R&D Centre)
- Pune (Plant I and II), Maharashtra
- Sitarganj, Uttarakhand

Forging Plant

- Bawal (Plant I and II), Haryana

Marelli Talbros Chassis Systems Private Limited Plant

- Faridabad, Haryana
- Manesar, Haryana
- Pune, Maharashtra

Talbros Marugo Rubber Private Limited Plant

- Bawal, Haryana

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection with its accuracy or completeness.

Financial Highlights

Strengthening Performance through Operational Excellence

Talbros delivered a resilient financial performance in 2025-26 despite a challenging global environment, while benefiting from favourable domestic industry trends. Steady demand, operational efficiencies, disciplined cost management and an improved product mix supported healthy growth in revenue and profitability. This performance reflects the Company's strong business fundamentals and disciplined execution.

Total Income (₹ in Crores)

889

EBITDA (₹ in Crores)

155

PAT (₹ in Crores)

Including Exceptional Items

104

PAT (₹ in Crores)

Excluding Exceptional Items

104

RoCE (in %)

18

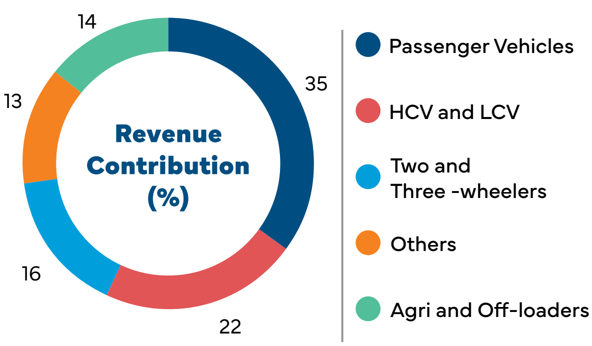
Debt-to-Equity (x)

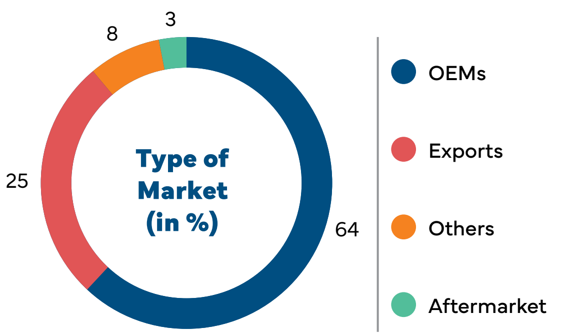
0.11

ROE (in %)

17

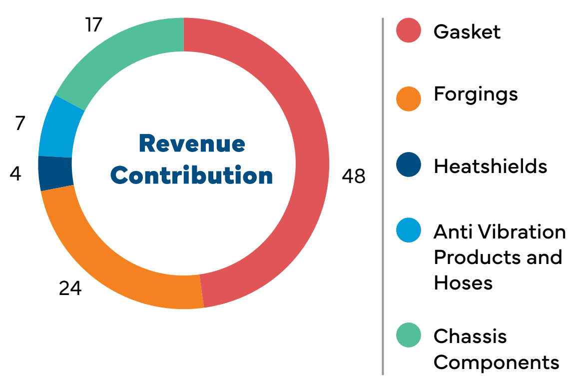
Domestic Breakup (in %)





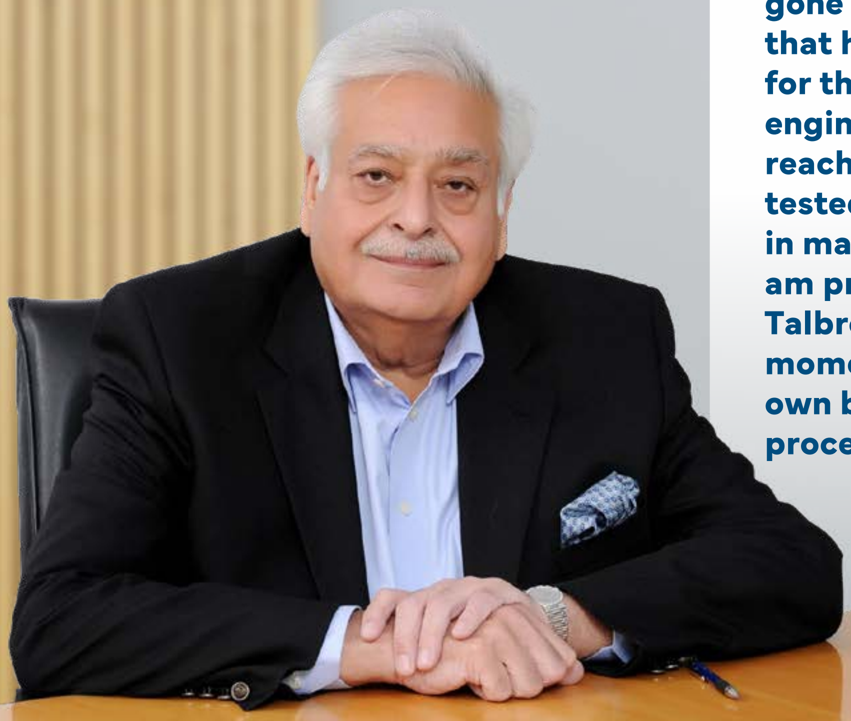
Risk-Adjusted Portfolio

(Revenue Contribution)



Chairman's Message

Strengthening Capabilities for Future Mobility



> **As I reflect on the year gone by, I am reminded that horizons only expand for those who have the engineering depth to reach them. 2025-26 tested that proposition in many ways, and I am proud to say that Talbros not only met the moment but widened its own boundaries in the process."**

Dear Shareholders,

2025-26 marked a defining year for Talbros Automotive Components Limited, reflecting our guiding theme, 'Expanding Horizons with Engineering Excellence'. The Company achieved a historic milestone by recording a Profit After Tax (PAT) of ₹ 104 Crores, crossing the three-digit mark for the first time in its history. This achievement reflects the strength of our engineering capabilities, disciplined execution and resilient business model. It also demonstrates our ability to navigate a complex global environment while reinforcing our leadership across every segment we serve.

As I reflect on the year gone by, I am reminded that horizons only expand for those who have the engineering depth to reach them. 2025-26 tested that proposition in many ways, and I am proud to say that Talbros not only met the moment but widened its own boundaries in the process.

Macroeconomic Scenario

The global business environment remained challenging during 2025-26, shaped by geopolitical uncertainties, persistent supply chain disruptions and inflationary pressures. In contrast, India's automotive ecosystem demonstrated remarkable resilience, supported by structural drivers such as GST 2.0 implementation, higher government capital expenditure and a sustained rural recovery.

Against this backdrop, the Indian automotive industry delivered another strong year, reinforcing its role as a key pillar of the country's manufacturing economy. The sector produced approximately 34.7 Mn vehicles, while automobile exports reached a record 6.64 Mn units, growing 24%—the fastest pace in seven years. Contributing nearly 7.1% to India's GDP and almost half of manufacturing GDP, the industry remains central to economic growth, employment generation and export competitiveness.

Growth was broad-based across all major segments. Passenger vehicle sales reached a record 4.64 Mn units, up 7.9%, while exports rose 17.5% to 0.90 Mn units. Two-wheeler sales touched an all-time high of 21.7 Mn units, growing 10.7%, supported by stronger consumer demand and rising EV adoption, with exports increasing 23.4% to 5.18 Mn units. Commercial vehicle sales reached a record 1.08 Mn units, reflecting 12.6% growth, while three-wheeler sales rose 12.8% to 0.83 Mn units. Exports of three-wheelers surged 50.1% to approximately 0.46 Mn units.

PAT 2025-26

₹ 104 Crores

EBITDA in 2025-26

₹ 155 Crores

Electric mobility also gathered significant momentum. EV car sales grew by approximately 50%, while EV two-wheelers expanded 39% year on year, supported by a wider charging network and increasing urbanisation. These favourable industry trends created a strong foundation for Talbros. With a diversified presence across vehicle segments and powertrain technologies, the Company was well positioned to convert these opportunities into sustained growth.

Financial Highlights

Our financial performance reflects disciplined cost management, operational efficiency and strong operating leverage. Consolidated revenue for 2025-26 reached ₹ 889 Crores, up 5% over the previous year. EBITDA stood at ₹ 155 Crores, delivering a healthy margin of 17.5%. Most importantly, PAT increased 10% year on year to ₹ 104 Crores, crossing the three-digit milestone for the first time in our history.

The momentum strengthened further towards the year-end. In Q4 FY26, we delivered our strongest-ever quarterly performance, recording 15% revenue growth and a record EBITDA margin of 18.7%. It was a fitting conclusion to a year shaped by disciplined execution and sustainable growth.

This achievement reflects the strength of our engineering capabilities, disciplined execution and resilient business model. It also demonstrates our ability to navigate a complex global environment while reinforcing our leadership across every segment we serve."

Business Segment Overview

Our diversified portfolio remains a key competitive advantage, enabling us to serve every major vehicle segment and powertrain technology, including electric vehicles.

Our Gaskets and Heat Shields division continues to be our largest and most profitable business, contributing 52% of total revenue. We retain a leading 50% share of the Indian gasket market, reflecting decades of engineering expertise and customer trust. At the same time, our Heat Shield business is scaling rapidly, developing advanced solutions for hybrid and electric vehicle platforms while strengthening our presence in the next generation of mobility.

Our Forging Division experienced a mixed year. Following export headwinds during the earlier part of the fiscal year, the business recovered strongly in Q4, delivering 11% year-on-year revenue growth. We also secured new orders worth ₹ 500 Crores, particularly from leading European OEMs, reinforcing our position in some of the world's most demanding automotive markets.

Our Joint Ventures also delivered another year of strong growth. Marelli Talbros Chassis Systems recorded 21% growth in full-year revenue, while our partnership with Marugo Rubber Industries has nearly tripled its revenue over the past five years. These partnerships demonstrate how strategic collaboration, combined with engineering excellence, continues to create long-term value and expand our growth opportunities.

Our priorities remain clear: delivering consistently for our customers, expanding capacity with discipline and strengthening relationships with marquee customers worldwide. These principles have shaped our progress, and I am confident they will continue to drive our long-term success."

Operational Highlights

We are transitioning from securing orders to executing them with excellence. This shift demands disciplined capacity creation alongside operational precision. To support this next phase, we invested ₹ 51 Crores in capital expenditure during 2025-26 and plan to invest a further ₹ 103 Crores in 2026-27 to expand capacity in line with growing demand.

Consolidated Revenue in 2025-26

₹ 889 Crores

Capital Expenditure in 2025-26

₹ 51 Crores

Several strategic initiatives during the year underscore this commitment.

A key milestone was the formation of Lohum Talbros Carbon Private Limited, a joint venture with Lohum Cleantech Private Limited, in which Talbros holds a 49% equity stake. The partnership marks our entry into the emerging circular economy through advanced recycling technologies for recovered carbon black (rCB) and devulcanised rubber, offering sustainable alternatives to conventional raw materials.

By combining Lohum's expertise and focus on technology and know-how and Talbros' OEM relationships and market reach, the venture positions us to serve a rapidly growing, ESG-driven market while strengthening our commitment to sustainable innovation. With

Looking ahead to 2026-27, we remain confident in our growth trajectory. We are targeting 15% to 20% year-on-year growth while aiming to surpass ₹ 1,000 Crores in revenue for the first time in our Company's history."

commercial operations scheduled to commence in current financial year, we believe this initiative will create long-term value for all stakeholders while advancing our environmental stewardship.

We also strengthened our leadership team with the appointment of Ashish Gupta as Chief Executive Officer. Bringing over 35 years of industry experience, he will play a pivotal role in driving our next phase of growth and operational excellence.

Globally, we continue to benefit from the 'China Plus One' strategy as OEMs diversify their supply chains and expand sourcing from India. This structural shift presents a significant opportunity for Indian auto component manufacturers. Backed by decades of engineering excellence and trusted customer relationships, Talbros is well positioned to capitalise on this evolving landscape.

Closing Remarks

Looking ahead to 2026-27, we remain confident in our growth trajectory. We are targeting 15% to 20% year-on-year growth while aiming to surpass ₹ 1,000 Crores in revenue for the first time in our Company's history. Achieving this milestone would represent another significant step in our journey of Expanding Horizons with Engineering Excellence.

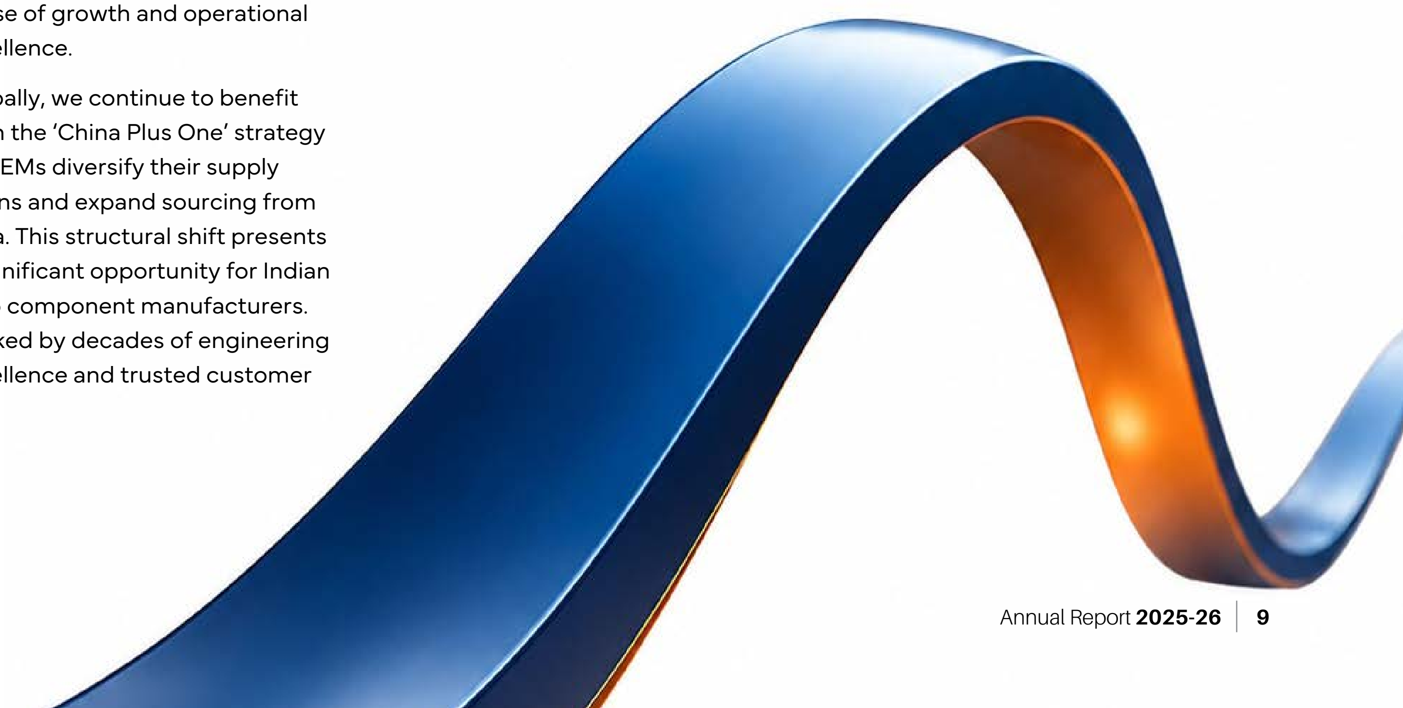
Our priorities remain clear: delivering consistently for our customers, expanding capacity with discipline and strengthening relationships with marquee customers worldwide. These principles have shaped our progress, and I am confident they will continue to drive our long-term success.

I extend my heartfelt gratitude to our shareholders, employees, customers, partners and every stakeholder for their continued trust and support. Your confidence inspires us to keep pushing boundaries, pursuing engineering excellence and creating lasting value.

Thank you for being part of our journey.

Best Regards,

Umesh Talwar
Chairman,
Talbros Automotive Components Limited



Business Divisions

Gasket and Heat Shield Business

Celebrating 70 years of excellence, Talbros has evolved into a trusted partner in the global mobility industry. Since its inception in 1956, the Company has transformed its commitment to quality into a dynamic ecosystem driven by technological innovation, precision engineering, and strong global partnerships.

Talbros' competitive strength lies in serving the full spectrum of the automotive industry. Its capabilities span two-wheelers, heavy commercial vehicles, agricultural and construction equipment, and specialised off-road applications. This broad presence enables the Company to meet diverse customer requirements with agility and technical expertise.

As the industry advances towards a sustainable, electrified future, Talbros continues to expand into emerging technologies. A key growth driver is its focus on next-generation heat shields for advanced thermal management, complemented by high-precision plastic moulded components developed for electric vehicles and battery applications.

Supported by strategic technical collaborations, high-value technical agreements, and advanced manufacturing infrastructure, the Company's diversified portfolio includes:

- Sealing systems and gaskets
- Heat shields and advanced NVH (Noise, Vibration, and Harshness) solutions
- Precision plastic moulded components
- Forged and machined components
- Chassis, suspension, and Body-in-White (BIW) components
- Rubber hoses and anti-vibration components

This comprehensive portfolio enables Talbros to support leading global OEMs and Tier-1 suppliers with consistent quality, reliable performance, and compliance with the highest international standards.

Total Income

₹ **595** Crores

EBITDA

₹ **105** Crores

India Market Share

50%

Product Range

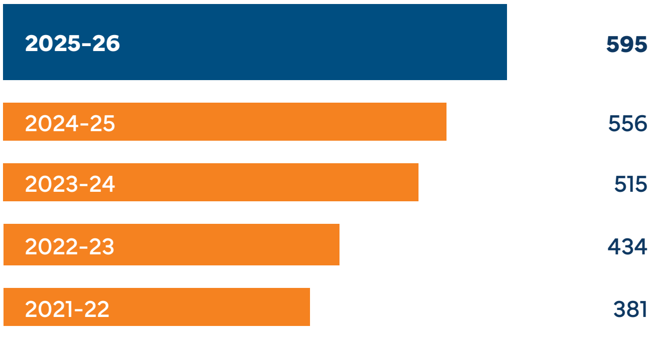
- Multi-Layer Steel (MLS) Gaskets
- Gaskets with Integrated Electrical Control
- Post-Coated and Selective-Area Coated Gaskets
- Exhaust and High-Temperature Application Gaskets
- Rubber and Edge-Moulded Gaskets
- Fibre Gaskets
- Heat Shields for NVH And Thermal Management
- Plastic And Rubber-Moulded Components

Key Highlights of the Year

- Designed and developed Sealings Applications meeting next level emission norms
- Continued to gain attraction in ICE and emerging EV business
- Acquired new business from all segments of industry

Total Income from Gasket and Heat Shield Business (₹ in Crores)

595



Business Divisions

Forging Business

Forging is a critical manufacturing process that shapes metal using compressive forces, typically applied through mechanical or screw presses. India's forging industry ranks among the world's largest, recognised for its engineering excellence, manufacturing expertise and stringent quality standards.

Over the years, Talbros has evolved into a leading manufacturer and exporter of high-precision forged and machined components, supported by fully integrated in-house forging facilities. The Company serves customers across the automotive, agriculture, commercial vehicle, off-highway and industrial sectors.

The Company continues to expand its global footprint by strengthening exports across strategic international markets. During the year, the Forging Division added key Tier-1 customers in Brazil, Mexico and Belgium. It also secured two international Passenger Vehicle (PV) programmes, establishing Talbros as a Tier-1 supplier for one customer and a Tier-2 supplier for another.

Reflecting sustained customer confidence, the Division secured new multi year business worth ₹ 500 Crores during 2025-26. It also maintains a strong pipeline under final negotiation, supporting long-term growth. Rising global demand, infrastructure development and the shift towards advanced mobility continue to create opportunities. In response, the Company is strengthening its presence across Commercial Vehicle (CV), Off-Highway, Agriculture, Electric Vehicle (EV) and Passenger Vehicle (PV) segments, where demand for heavier, high-strength and value-added forged components continues to grow.

To support future growth, the Company has launched a comprehensive capacity expansion programme aligned with increasing demand from global OEMs and Tier-1 customers. It has also expanded its machining infrastructure through a new manufacturing facility and plans to install additional high-precision CNC Turning Centres and VMC machines. Upon completion of Phase II, the total manufacturing area will increase to approximately 60,000 sq. ft., significantly enhancing production capacity and operational efficiency. Backed by confirmed customer programmes, these investments are expected to strengthen Talbros' global competitiveness while increasing manufacturing depth and productivity.

Total Income

₹ 295 Crores

EBITDA

₹ 51 Crores

Product Range

- Towing Solutions and Recovery Eyes
- Axle and Chassis Components
- Intermediate Shaft and Differential Housing
- Companion Flanges
- Tube and Flange Yokes
- Hydraulic End Caps and Rod Eyes
- Blank Ring Gears
- King Pins
- Brake Pistons
- Off-Highway Components
- Passenger Vehicle Components
- EV Transmission Components

Key Highlights of the Year

- Secured new business worth ₹ 129 Crores during 2025-26, supported by a strong pipeline under final negotiation
- Won two international Passenger Vehicle (PV) programmes, strengthening Talbros' position as a Tier-1 supplier for one customer and a Tier-2 supplier for another
- Advanced sustainability initiatives through renewable energy and energy-efficient manufacturing, with 40% of electricity requirements to be sourced from green energy (project under execution)
- Continued capacity expansion to meet growing demand from global OEMs and Tier-1 customers
- Commissioned a new 1,600-tonne forging press to strengthen manufacturing capability
- Ordered a new 2,500-tonne forging line to produce heavier and more complex components
- Expanded machining capacity through a new 30,000 sq. ft. manufacturing facility
- Planned installation of additional high-precision CNC Turning Centres and VMC machines to support future growth and customer demand
- Manufacturing area to increase to 60,000 sq. ft. upon completion of Phase II
- Approximately 80% of the Forging Division's production is supplied to export markets, directly or indirectly serving leading global OEMs and Tier-1 suppliers
- Continued focus on increasing manufacturing depth, process automation and quality enhancement to strengthen global competitiveness.

Total Income from Forging Business
(₹ in Crores)

295

Business Divisions

Marelli Talbros Chassis Systems Private Limited (MTCS)

Talbros Automotive Components Limited partnered with Marelli Suspension Systems S.P.A., Italy, to establish the joint venture Marelli Talbros Chassis Systems Private Limited (MTCS) in 2012. Since then, the partnership has enabled MTCS to develop and manufacture a comprehensive range of automotive chassis components, including control arms, suspension links, front cross members, rear twist-beam axles, cradles, wheel groups, and semi-corner module assemblies. Today, the JV is a preferred supplier of chassis and body-in-white (BIW) components to leading OEMs in India.

During the year, MTCS secured several new orders, with production scheduled to commence from 2026-27. These include control arm programmes for a European OEM serving the EMEA and NAFTA markets, alongside BIW components for European battery electric vehicle (BEV) platforms. To support rising demand, particularly from Maruti Suzuki's new launches, the Company expanded its Manesar assembly plant into a larger facility. It also plans to establish a manufacturing facility in Gujarat to serve customers in the region. Further strengthening its supply chain, MTCS commissioned a new warehouse at Kharkhoda, Haryana and expanded its warehouse capacity in Bengaluru.

MTCS remains committed to its ESG goals. As part of its efforts to reduce carbon emissions, the Company continued increasing its use of renewable energy, raising installed solar capacity from 455 kWp to 1,055 kWp.

The year marked another significant milestone, with MTCS achieving its highest-ever revenue of ₹ 345.97 Crores, reflecting 21.4% growth over the previous year. PBIDT increased by 35%, while PBT rose by 30%. Backed by a growing export portfolio and continued expansion in the EV segment, the Company aims to accelerate revenue growth, diversify its customer base, expand into new markets, and strengthen its EBITDA margin profile by 2027-28.

To support future growth, MTCS plans a capital expenditure of approximately ₹ 46 Crores in 2026-27, funded through a combination of internal accruals and debt.

Total Income
₹ **346** Crores

PAT in 2025-26
₹ **35** Crores

Talbros Share in 2025-26
₹ **173** Crores

Diversified Product Range

- Suspension Front Lower Control Arms
- Suspension Links
- Front Sub Frames
- Rear Twist Beam Axles
- Front EV Cradle
- Rear Cradle
- Wheel Group and Semi Corner Module Assemblies
- Body-in-White Parts and Assemblies in Steel and Aluminium

Awards

- **ACMA Excellence Award in Medium Enterprises category**

Gold Award
- Skill Development
- Safety
- Digitalisation

Silver Award
- Environmental Sustainability and Governance
- Manufacturing

Bronze Award
- Tier 2 Supplier development

- **Rated B for climate change by CDP (Carbon Disclosure Project)**
- **Qualified VDA 6.3 audit by Volkswagen in first attempt**

Certifications

- IATF 16949 – QMS
- ISO 9001 – QMS
- ISO 14001 – EMS
- ISO 50001 – EnMS
- ISO 45001 – OHSAS
- ISO 27001 – ISMS
- MSME ZED Gold Certified

Key Highlights of the Year

- Secured new control arm orders and expanded capacity for existing domestic OEM programmes
- Won BIW component orders for European OEMs, supporting BEV platforms for European vehicles

Total Income from Marelli Talbros Chassis Systems (₹ in Crores)

346

Business Divisions

Talbros Marugo Rubber Private Limited (TMR)

Established in 2012 as a strategic joint venture between Talbros Automotive Components Limited, India, and Marugo Rubber Industries Ltd., Japan, Talbros Marugo Rubber Private Limited (TMR) combines Indian engineering excellence with Japanese manufacturing precision to deliver world-class automotive rubber and anti-vibration solutions.

The Company manufactures high-performance automotive components, including suspension bushes, strut mounts, engine mounts, battery mounts and automotive hose systems. Its state-of-the-art facility features advanced technologies such as injection moulding, vacuum transfer injection moulding, kneaders, sandblasting, phosphating and automated adhesive spray lines, ensuring superior product quality, reliability and manufacturing efficiency.

Backed by the combined technological expertise of its promoters, TMR has emerged as a trusted supplier of advanced anti-vibration solutions and hose systems for the automotive industry. Since commencing commercial production in February 2013, the Company has maintained a strong focus on Original Equipment Manufacturers (OEMs), with Maruti Suzuki India Limited as its principal customer.

Over the years, TMR has built long-standing relationships with leading automotive manufacturers and Tier-1 suppliers, including Maruti Suzuki India Limited, QH Talbros Limited, Daimler India Commercial Vehicles Private Limited and Suzuki Motor Gujarat Private Limited. These partnerships reflect the Company's commitment to quality, innovation, customer satisfaction, technological excellence and sustainable growth.

Total Income

₹ **147** Crores

PAT in 2025-26

₹ **8** Crores

Talbros Share in 2025-26

₹ **74** Crores

Product Range

1. **Mounts**
   - Mounting - Muffler Hanger
   - Suspension Bushes
   - Body Mounts, Cab Mounts
   - Leading and Trailing Arm Bushes
   - Silicone Muffler Hanger
2. **Hoses**
   - Air, Fuel, and Water Hoses (Extrusion Hoses)
   - Air Cleaner Hoses (Moulded Hoses)
   - Battery Hoses

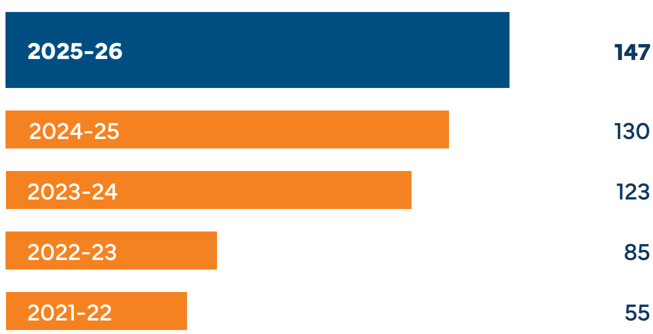
Key Highlights of the Year

- Commenced Start of Production (SOP) for orders secured from Maruti Suzuki India Limited (MSIL) in the previous financial year
- Installed an additional extrusion line to support higher production volumes and the anticipated business growth
- Increased the Share of Business (SOB) for the Silicone Hanger after its adoption as a common component for another vehicle model, resulting in higher business volumes
- Secured the Suspension Arm Bush (Rear) business for multiple new vehicle models. Completed SOP in the previous financial year, significantly boosting production volumes and business performance
- Expanded the product portfolio with the introduction of battery hoses for electric vehicles (EVs), strengthening capabilities to address the evolving requirements of the electric mobility industry
- Strengthened market presence through strategic partnerships with leading domestic OEMs, broadening the product portfolio and reinforcing the Company's footprint across the Indian automotive industry

Total Income from Talbros Marugo Rubber

(₹ in Crores)

147



TALBROS AUTOMOTIVE COMPONENTS LIMITED
CIN: L29199HR1956PLC033107
Registered Office: 14/1, Delhi-Mathura Road, P.O. Amar Nagar
Faridabad-121003, Haryana
Tel No.: 0129- 4960482, Website: www.talbros.com, Email: seema_narang@talbros.com

NOTICE

NOTICE is hereby given that the **69th Annual General Meeting (AGM)** of the Members of Talbros Automotive Components Limited (Company) will be held on **Friday, September 25, 2026** at **12:30 p.m.** through **Video Conferencing/ Other Audio Visual means (VC/OAVM)** to transact the following business:

ORDINARY BUSINESS:

1. **To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2026 together with the Reports of the Board of Directors and Statutory Auditors thereon.**

   To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2026 including the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date together with the Reports of the Board of Directors and Statutory Auditors thereon be and are hereby received, considered and adopted."

2. **To confirm payment of Interim Dividend @ 10% i.e. ₹0.20p per equity share of ₹ 2/- each for the Financial Year ended March 31, 2026.**

   To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT the Interim Dividend @ 10 % i.e. ₹0.20p per fully paid-up equity share of ₹2/- each for the Financial Year ended March 31, 2026, as approved by the Board of Directors at its meeting held on November 13, 2025 and already paid to the shareholders, be and is hereby noted and confirmed."

3. **To declare Final Dividend @ 27.5% i.e. ₹ 0.55p per equity share of ₹ 2/- each for the Financial Year ended on March 31, 2026.**

   To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT Final Dividend @ 27.5% i.e. ₹ 0.55p per fully paid-up equity share of ₹ 2/- each, for the Financial Year ended on March 31, 2026 as recommended by the Board of Directors, be and is hereby declared and the same be paid out of the profits of the Company to the members whose names appear in the Register of member/Beneficial owners as on September 11, 2026."

4. **To appoint a Director in place of Mr. Navin Juneja (DIN:00094520) who retires by rotation and, being eligible, offers himself for re-appointment.**

   To consider and, if thought fit, pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder, if any (including any statutory modifications or re-enactments thereof) and the Articles of Association of the Company, Mr. Navin Juneja (DIN: 00094520) who retires by rotation and, being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

5. **To consider and approve the material related party transactions with M/s. QH Talbros Private Limited during the Financial Year 2026-27.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 (the Act) read with the Rules made thereunder and Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions and based on the approval and recommendation of the Audit Committee and the Board of Directors (Board), consent of the members of the Company be and is hereby accorded to enter into transactions and/or carrying

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out and/or continuing with contracts/arrangements/ transactions (including transactions already entered) with M/s QH Talbros Private Limited (QHT), a related party of the Company, within the meaning of Section 2(76) of the Act, for Sale of Company's products/goods including but not limited to Forgings and other Auto Parts, Royalty received, Dividend received, rendering of services, transactions of reimbursements paid/received during the course of business of the Company, sale of finished/ semi-finished goods and raw materials and such other transactions as may be approved by the Audit Committee and the Board, upto an aggregate amount of ₹ 125.00 Crores, exclusive of applicable taxes, during Financial Year 2026-27 on such terms and conditions, as may be mutually agreed upon between the Company and QHT.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may deem fit, in its absolute discretion and to take all such steps as may be required in this connection including deciding the nature and value of the products, goods, materials or services for which the transactions may be carried out, finalising and executing necessary Contract(s), arrangement(s), Agreement(s) (including modification(s) of existing Agreements/ Contracts, if any) and such other documents as may be required, seeking necessary approvals to give effect to this resolution, for and on behalf of the Company, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer / executive of the Company and to resolve all such issues, questions, difficulties or doubts whatsoever that may arise in this regard and all actions taken by the Board of the Company in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

6. **To ratify the remuneration of Cost Auditors for the Financial year 2026-27.**

   To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s), or re-enactment thereof, for the time being in force), the consent of members of the Company be and is hereby accorded to the ratification of the remuneration payable to M/s Vijender Sharma & Co., Cost accountants (Firm Registration No. 000180) re-appointed as Cost Auditors by the Board of Directors to conduct the audit of the cost records of the Company for the financial year 2026-27 amounting to ₹ 1.75 Lacs, exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection with the aforesaid audit.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, proper or expedient for the purpose of giving effect to this resolution."

By Order of the Board
For **Talbros Automotive Components Limited**

Sd/-
Seema Narang
Company Secretary

Place: Gurugram
Date: May 20, 2026

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act"), setting out the material facts relating to the Special Business set out at item no. 5 and 6 of the accompanying Notice dated May 20, 2026, is annexed hereto.

   The relevant details, pursuant to applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India in respect of Director seeking appointment/ re-appointment at this AGM is annexed as **Annexure-1**.

2. **The Ministry of Corporate Affairs, Government of India ("MCA") vide its General Circular no. 20/2020 dated May 05, 2020 and Circular no. 03/2025 dated September 22, 2025 and other circulars in this respect ("MCA Circulars") has allowed, inter-alia, conduct of AGMs through Video Conferencing/Other Audio-Visual Means ("VC/OAVM"), in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020. In compliance with the provisions of the Companies Act, 2013 ('the Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the 69th AGM of the Company is being conducted through VC/ OAVM which does not require physical presence of members at a common venue. In compliance with the said Circulars, AGM shall be conducted through VC / OAVM.**

   Registered Office of the Company at 14/1, Delhi-Mathura Road, P.O. Amar Nagar, Faridabad-121003, Haryana shall be deemed to be the venue for the AGM.

3. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/ OAVM FACILITY, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH.**

   ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO NOTICE OF THE 69TH AGM.

   Institutional/corporate shareholders (i.e. other than individuals, HUF, NRI, etc.), intending to appoint their authorized representatives to attend AGM and to vote through remote e-voting are required to send a scanned copy (PDF/JPG Format) of their respective Board or governing body Resolution/Authorisation etc., authorising their representative to attend the AGM through VC/OAVM on their behalf and to vote through remote e-Voting pursuant to section 113 of the Companies Act, 2013 on **evoting@nsdl.com** and **seema_narang@talbros.com**.

4. The Company has engaged National Securities Depositories Limited ("NSDL") for facilitating voting through electronic means (remote e-voting), providing facility of participation in the 69th AGM through VC/OAVM and e-voting during the 69th AGM. The instructions for participation by Members are given in the subsequent paragraphs.

   In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website **www.evoting.nsdl.com** under the 'Downloads Section'. You can also contact NSDL at 022 - 4886 7000 or Ms. Pallavi Mhatre, Assistant Vice President, NSDL, at designated e-mail ID: **evoting@nsdl.com**, who will address the grievances related to electronic voting

   The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

6. In accordance with the aforesaid MCA Circulars, the Notice of the AGM along with the 69th Annual Report of the Company is being sent only through electronic mode to those Members whose email addresses are registered

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with the Company /Depositories, unless any Member has requested for a physical copy of the same. The Company shall send the physical copy of Notice of the AGM along with the 69th Annual Report to only those Members who request the same at **seema_narang@talbros.com** mentioning their Folio No. / DP ID and Client ID.

7. **Members may also note that the Notice of the 69th AGM and the Annual Report for financial year 2025-26 are available on the website of the Company www.talbros.com, websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com and on the website of NSDL i.e., www.evoting.nsdl.com**

8. **Members desiring any information relating to the annual accounts or any document pertaining to the explanatory statement are requested to send an email to the Company at seema_narang@talbros.com at least ten (10) days before the AGM.**

9. The Notice of AGM and Annual Report will be sent to those Members / beneficial owners whose name will appear in the Register of Members / list of beneficiaries received from the Depositories/RTA as on **Friday, August 21, 2026**.

10. Dividend on Equity Shares, as recommended by the Board of Directors, if approved at the AGM, will be payable to those Members whose names appear in the Register of Members of the Company, as at the close of **Friday, September 11, 2026 (the Record Date)** as per the beneficial ownership data to be furnished by NSDL/ CDSL/RTA for the purpose and in respect of shares held in physical form after giving effect to all valid shares transfers/ transmission(s), which are lodged with the Company / RTA before the record date.

11. In terms of the provisions of the Income Tax Act, 1961 ("the Act") as amended by the Finance Act, 2020, dividend paid or distributed by a Company on or after April 01, 2020 is taxable in the hands of the Members. The Company is, therefore, required to deduct tax at source at the time of payment of dividend to the Members.

    For resident members: Tax will be deducted at source ("TDS") under Section 194 of the Act (read with Press Release dated May 13, 2020) @ 10% on the amount of dividend payable unless exempt under any of the provisions of the Act. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them by the Company during FY does not exceed ₹10,000/-.

    Tax at source will **NOT** be deducted where a member provides Form 15G (applicable to Individual in case of dividend) / Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met. Blank Form 15G and 15H can also be downloaded from the website of the RTA viz. Form15H.pdf (kfintech.com)

    The Permanent Account Number (PAN) will be mandatorily required. If PAN is not submitted, Tax at source will be deducted @ 20% as per Section 206AA of the Act.

    In order to provide exemption from withholding of tax, the following organisations must provide a self-declaration as listed below:

    - **Insurance companies:** A declaration that they are beneficial owners of shares held.
    - **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).
    - **Alternative Investment Fund (AIF) established in India:** A declaration that its income is exempt under Section 10(23FBA) of the Act and they are established as Category I or Category II AIF under the SEBI Regulations. Copy of registration documents (self-attested) should be provided.
    - **New Pension System Trust:** A declaration that they are governed by the provisions of Section 10(44) [subsection 1E to Section 197A] of the Act along with copy of registration documents (self-attested).
    - **Corporation established by or under a Central Act** which is, under any law for the time being in force, exempt from income tax on its income - Documentary evidence that the person is covered under Section 196 of the Act.
    - **For non-resident members:** Tax is required to be withheld in accordance with the provisions of Section 195 of the Act at applicable rates in force. As per the relevant provisions of the Act, the tax shall be withheld @ 20% (plus applicable surcharge and cess) on the amount of dividend payable. However, as per Section 90 of the Act, a non-

resident member has the option to be governed by the provisions of the Double Tax Avoidance Agreement ("DTAA") between India and the country of tax residence of the member, if they are more beneficial to the member. For this purpose, i.e. to avail tax treaty benefits, the non-resident member will have to provide the following:

(i) Self-attested copy of Permanent Account Number (PAN Card), if any, allotted by the Indian income tax authorities;

(ii) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the member is resident;

(iii) Self-declaration in Form 10F, if all the details required in this form are not mentioned in the TRC;

(iv) Self-declaration by the non-resident member of having no permanent establishment in India in accordance with the applicable Tax Treaty;

(v) Self-declaration of beneficial ownership by the non-resident member.

The documents referred to in point nos. (iii) to (v) can be downloaded from the website of the RTA viz. Tax Exemption Forms Registration (kfintech.com) and should sent the aforementioned documents through e-mail to **einward.ris@kfintech.com**.

The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform.

The Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by non- resident member.

Notwithstanding the above, tax shall be deducted at source @ 20% (plus applicable surcharge and cess) on dividend paid to Foreign Institutional Investors and Foreign Portfolio Investors under section 196D of the Act. Such rate shall not be reduced on account of the application of the lower DTAA rate, if any.

To summarise, dividend will be paid after deducting the tax at source as under:

- NIL for resident members receiving dividend up to ₹ 10,000/- or in case Form 15G / Form15H (as applicable) along with self-attested copy of the PAN is submitted.
- 10% for resident members in case PAN is provided / available.
- 20% for resident members, if PAN is not provided / not available.
- Tax will be assessed on the basis of documents submitted by the non-resident members.
- 20% plus applicable surcharge and cess for non-resident members in case the aforementioned documents are not submitted.
- Lower / NIL TDS on submission of self-attested copy of the certificate issued under Section 197 of the Act.

Transfer of Unclaimed/Unpaid dividend amounts to the Investor Education and Protection Fund (IEPF):

Members may note that pursuant to the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (read with the relevant circulars and amendments thereto ("IEPF Rules"), (as amended from time to time), the amount of dividend remaining unpaid or unclaimed for a period of 7 (seven) years from the date of transfer of the amount to Unpaid dividend account, shall be transferred to the Investor Education and Protection Fund ("IEPF") set up by Government of India. Further, all the corresponding shares for which dividend has not been Paid/Claimed for 7(Seven) consecutive years shall also be transferred to the demat account of the IEPF Authority.

It may be noted that the Unpaid/Unclaimed Dividend lying in the Unpaid Dividend Account of the Company for the FY 2017-18 was transferred to IEPF. Further the corresponding shares were also transferred to the Demat account of IEPF Authority within stipulated timelines.

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12. Availability of Dispute Resolution Mechanism

SEBI vide its circular No. SEBI /HO/ MIRSD/ MIRSD_ RTAMB/P/CIR/ 2022/76 dated May 30, 2022 (subsumed as part of the SEBI Master Circular No HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026) read with Regulation 40 of the Listing Regulations has laid down Standard Operating Procedures (SOP) to be followed for dispute resolution under the Stock Exchange arbitration mechanism for disputes between a Listed Company and/or Registrars to an Issue and Share Transfer Agents (RTAs) and its Shareholder(s)/Investor(s) pertaining to disputes emanating from investor service requests such as transfer/transmission of shares, demat/ remat, issue of duplicate shares, transposition of holders, investor entitlements like corporate benefits, dividend, bonus shares, rights entitlements, credit of securities in public issue, interest /coupon payments on securities and delay in processing/wrongful rejection of aforesaid investor service.

SEBI, through Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026, which subsumed earlier circulars issued by SEBI in this regard, has established a common Online Dispute Resolution (ODR) Portal for resolution of disputes arising in the Indian Securities Market through Online Conciliation, Mediation or Arbitration, which is in addition to the existing SCORES 2.0 portal which can be utilized by the investors and the Company for dispute resolution. The investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform,the investors can initiate dispute resolution through the ODR Portal at **https://smartodr.in/login.**

13. Transfer/Transmission/Transposition/Dematerialization of shares and all other investor related matters are attended to and processed by the Company's RTA.

In terms of the requirements of Regulation 40 of the Listing Regulations, securities can be transfered only in dematerialized form. Further, the request for transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form. Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular Nos. SEBI/HO/MIRSD/ MIRSD_RTAMB/ P/CIR/2022/8 dated January 25, 2022 and HO/38/13/(3)2026-MIRSD-POD/I/3763/2026 dated January 30, 2026 (being part of the SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026), has mandated the listed entities to issue securities for the following service requests only in dematerialized form:

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal/ Exchange of securities certificate;

iv. Endorsement;

v. Sub-division/Splitting of securities certificate;

vi. Consolidation of securities certificates/folios;

vii. Transmission; and

viii. Transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or RTA, for assistance in this regard.

The Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said form(s) can be downloaded from the Company's website under Investors section at **https://www.talbros.com**. It may be noted that any service request can be processed only after the folio is KYC Compliant.

The Securities and Exchange Board of India has mandated that the transfer of securities would be carried out in dematerialized form only, therefore the members holding shares in physical form are requested to convert their holding into dematerialized form to eliminate all risk associated with the physical shares. Members can contact the Company or RTA for any further assistance in this regard.

14. **Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:**

Shares held in physical form: Members are requested to send the following details/documents to the Company's Registrars and Transfer Agent ('RTA'), M/s KFIN Technologies Limited:

a) Form ISR-1 along with supporting documents. The said form is available on website of the RTA at http://karisma.kfintech.com/downloads/2Form_ISR-1.pdf

b) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly. In case name of the holder is not available on the cheque, kindly submit the following documents:

i. Cancelled cheque in original, or

ii. Bank attested legible copy of the first page of the Bank Passbook/Bank Statement bearing the names of the account holders, address, same bank account number and type as on the cheque leaf and full address of the bank branch

iii. Self-attested copy of the PAN Card of all the holders; and Self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the first holder as registered with the Company.

The Company/RTA will be sending individual letters to all the members, holding shares of the Company in physical form, who have not furnished their PAN, KYC, and Nomination details and accordingly their Dividend will be stopped unless the aforementioned details are updated.

Shares held in Electronic form: The members are requested to update their bank details with their Depository Participants or Registrar and Transfer Agent (RTA) for the purpose of receiving dividend.

Nomination facility: In terms of Section 72 of the Companies Act, 2013 shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nomination are requested to send their request in Form SH-13 for nomination and Form ISR-3 or Form SH-14 for cancellation/ variation as the case may be to the RTA.

The said form is available at https://ris.kfintech.com/clientservices/isc/

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the Listed Companies to issue securities in demat form only while processing service requests viz. Issue of duplicate securities certificate; claim from Unclaimed Suspense Account; Renewal/Exchange of securities certificate; Endorsement; Sub-division/ Splitting of securities certificate; Consolidation of securities certificates/folios; Transmission and Transposition. Accordingly, Shareholders are requested to make service requests by submitting a duly filled and signed Form ISR–4, the format of which is available on the website of the Company's RTA at **http://karisma.kfintech.com/downloads/Form-ISR-4.pdf** and on Company's website at **https://www.talbros.com/**

Special Window for lodgement of physical share transfer requests:

Pursuant to SEBI Circular Nos. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 and HO/38/13/11(2)2026-MIRSD-POD/ I/3750/2026 dated January 30, 2026 (subsumed as part of SEBI Master Circular No. HO/38/13/(4)2026-MIRSD-POD/I/4298/2026 dated February 06, 2026), a special window is opened till February 04, 2027, to facilitate lodgement of transfer requests executed before April 01, 2019 but were either not lodged for transfer or were lodged and subsequently rejected, returned or not attended due to deficiency in the documents.

Eligible shareholders are requested to submit the requisite documents before February 04, 2027 to Company/RTA.

Securities transferred through this mechanism shall be credited only in dematerialized form and will remain under a one-year lock-in, during which they cannot be transferred, lien marked or pledged.

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All Investor related communication may be addressed to the RTA/Company at the following address:

Company Address:	**RTA Address:**
Company Secretary & Compliance Officer Talbros Automotive Components Ltd. 14/1, Delhi Mathura Road, Faridabad –121003 Tel: +91-129- 4960456/4960482 Email: seema_narang@talbros.com	**M/s KFIN Technologies Ltd.,** Unit: Talbros Automotive Components Ltd., Selenium Tower-B, Plot No. 31 & 32, Financial District, Gachibowli, Nanakramguda, Serilingampally Hyderabad 500 032, India Email: einward.ris@kfintech.com

15. Register of contracts or arrangements in which directors are interested will be available at the commencement of AGM and remain open and accessible during the continuance of the AGM to any person attending meeting through VC/OAVM.

16. Register of Directors and Key Managerial Personnel will also be kept open for inspection during the AGM and accessible to the persons attending the AGM through VC/OAVM.

17. Members may please note that the unclaimed dividend in respect of the 2018-19 must be claimed by the concerned members on or before **September 15, 2026**, failing which it will be transferred to the Investor Education & Protection Fund authority, in accordance with the relevant provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”). Members are requested to write to company/KFIN, for claiming unclaimed dividend.

18. Attention of the members is drawn to the provisions of Section 124(6) of the Act which requires a company to transfer all shares in respect of which dividend has not been paid or claimed for 7 (seven) consecutive years or more in the name of IEPF Authority. In accordance with the aforesaid provision of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has intimated the shareholders whose shares are liable to be transferred in the name of IEPF Authority. Members are advised to visit the website of the Company www.talbros.com to ascertain such details.

19. THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

a) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility of voting through electronic means to its members. Members of the Company can transact all the items of the businesses with the facility of voting through electronic means through e-Voting Services provided by National Securities Depository Limited (NSDL).

b) The members who have casted their vote by remote e-voting prior to the meeting may also participate in the meeting through VC/OAVM but shall not be entitled to cast their vote again.

c) The “**cut-off**” date for determining the eligibility for voting through remote electronic voting system is fixed as **Saturday, September 19, 2026**. The voting rights of the shareholders shall be in proportion to their shares on the total paid-up equity share capital as on the cut-off date.

d) Ms. Kiran Sharma, a practicing Company Secretary (Membership no. 4942), has been appointed as the scrutiniser to scrutinise the remote e-voting process and casting vote through the e-voting system during the meeting in a fair and transparent manner.

e) The Scrutiniser shall, immediately after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM, submit a consolidated Scrutiniser’s report of the total votes cast in favour and against the resolution(s), invalid votes, if any, and whether the resolution(s) has/have been carried or not, to the Chairman or a person authorised by him. The result along with the Scrutiniser’s Report will be published on the website of the Company at www.talbros.com and on the website of NSDL at www.evoting.nsdl.com. The results shall be simultaneously communicated to BSE Limited and National Stock Exchange of India Limited, where the securities of the Company are listed.

OTHER INFORMATION RELATED TO REMOTE E-VOTING PROCEDURE-

The remote e-voting facility will be available during the following voting period:

Commencement of e-voting	**Tuesday, September 22, 2026 at 9:00 A.M.(IST)**
End of e-voting	**Thursday, September 24, 2026 at 5:00 P.M. (IST)**

The remote e-voting module shall be disabled by NSDL for voting thereafter.

The manner of voting electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner**" icon under "**Login**" which is available under '**IDeAS**' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "**Access to e-Voting**" under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS Portal**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note:

1. *Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.*

2. *It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911

Notice (Contd.)

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to seema_narang@talbros.com.

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to seema_narang@talbros.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

Notice (Contd.)

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are requested to participate on first-come-first-served basis, as participation at the meeting through video conferencing will be limited to maximum of 1000 members. The meeting can be joined 30 minutes before the scheduled time of AGM and will be closed on the expiry of 30 minutes from the scheduled time of the AGM. However, there will be no such restrictions for participation at the meeting by large shareholders (i.e. shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

3. The procedure for e-Voting on the day of the AGM is same as the instructions for remote e-voting mentioned below.

4. Members are encouraged to join the Meeting through Laptops for better experience. Further, members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/ folio number, email id, mobile number at seema_narang@talbros.com. by **Wednesday, September 16, 2026** (5.00 p.m. IST)

   Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and speakers depending upon the availability of time at the AGM.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members who need assistance before or during the AGM and e-voting user manual for Members available on the website www.evoting.nsdl.com under the 'Downloads Section'. You can also contact NSDL at 022 – 4886 7000 or Ms. Pallavi Mhatre, Assistant Vice President, NSDL, at designated e-mail IDs: evoting@nsdl.com who will address the grievances related to electronic voting.

By Order of the Board
For **Talbros Automotive Components Limited**

Sd/-
Seema Narang
Company Secretary

Place: Gurugram
Date: May 20, 2026

EXPLANATORY STATEMENT IN RESPECT OF ITEMS OF SPECIAL BUSINESS:

The following Explanatory Statement, as required under Section 102 of the Companies Act, 2013 (Act), sets out all the material facts relating to the business proposed to be transacted under Item Nos. 5 and 6 of the accompanying Notice dated May 20, 2026.

Item No.5

Both Talbros Automotive Components Limited (TACL) and QH Talbros Private Limited (QHT) are engaged in the business of manufacturing of auto parts. QHT is an associate company and is a related party as per the provisions of Section 2(76) of the Companies Act, 2013.

TACL has been supplying Auto Parts and Forgings etc. to QHT to meet its customer demands for the past several years in the ordinary course of business at arm's length pricing.

Members of the Company at their 67th Annual General Meeting held on September 25, 2024 had approved the Agreement for Sale of Company's products to/from QHT for a period of three years from April 1, 2025 to March 31, 2028 for an aggregate amount of ₹ 95 Crores in each Financial year. However, there are some transactions such as Receipt of Royalty and Dividend, payments and reimbursement of expenses incurred during the course of business etc. with QHT. It is deemed fit to take an all inclusive approval from the members of the Company for transactions with QHT.

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) inter alia states that all Material Related Party Transactions ('RPTs') shall require prior approval of shareholders by means of an Ordinary Resolution even if such transaction(s) are in the ordinary course of business and at an arm's length pricing basis and RPTs approved in an AGM shall be valid upto the date of the next AGM. In terms of the provisions of Regulation 23 of the Listing Regulations read with Schedule XII thereto, where the annual consolidated turnover of the Company is up to ₹ 20,000 Crores, transaction(s) of the Company with a related party transaction will be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the listed entity.

In view of the above, ordinary resolution at Item no. 5 of the accompanying Notice for carrying out/ continuing with contracts/ arrangements/ transactions with QHT for Sale of Company's products including but not limited to Forgings and other Auto Parts, Receipt of Royalty and Dividend, payments, rendering of services, transactions of reimbursements for legal and other expenses during the course of business of the Company and such other transactions as are approved by the Audit Committee and the Board upto an aggregate amount of ₹ 125.00 Crores, exclusive of applicable taxes, during Financial Year 2026-27 and for ratification of transactions already entered in current Financial Year upto the date of the 69th AGM, is placed for approval by the members of the Company.

The Management has provided the Audit Committee with relevant details of the proposed RPTs, including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has granted its approval for entering into the below mentioned RPTs, subject to approval by the Members at the ensuing Annual General Meeting. The Audit Committee noted that the said transaction(s) are at an arm's length pricing basis and in ordinary course of business of the Company.

The Audit Committee has also reviewed the certificate provided by the CEO and Chief Financial Officer of the Company, as required under the RPT Industry Standards.

Details of the proposed Related Party Transactions between the Company and QHT, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Master Circular dated January 30, 2026, read with SEBI circulars dated June 26, 2025 and October 13, 2025, are as follows:

Minimum information to be provided for approval of Related Party Transactions as per RPT Industry Standards:

Sl. No.	**Particulars of the information**	**Information provided by the management**
A.	**Details of the related party and transactions with the related party**	
A(1).	**Basic details of the related party**	
1.	Name of the related party	QH Talbros Private Limited (QHT)
2.	Country of incorporation of the related party	India
3.	Nature of business of the related party	Sale of auto components for 4 wheelers

Notice (Contd.)

Sl. No.	Particulars of the information	Information provided by the management
A(2).	**Relationship and ownership of the related party**	
4.	Relationship between the listed entity/ subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise)	QHT is an Associate Company of Talbros Automotive Components Limited (TACL). QHT and TACL are related parties.
5.	Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.	TACL holds 5.83% equity shares of QHT
6.	Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).	NA
7.	Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).	NIL
A(3).	**Details of previous transactions with the related party**	
8.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year:	
	Nature of Transactions with QHT	**2025-26 (Audited) (Amount in ₹ Lacs)**
	Sale of Company's Products	7536.99
	Sale of Finished/ Semi-finished goods and raw materials	0
	Royalty Income received	135.70
	Dividend Income received	80.08
	Services availed	0
	Services rendered	0
	Reimbursement received	10.06
	Reimbursement paid	0
	Advance received, if any	0
	Total	**7,772.90**
9.	Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.	Not Applicable, since first quarter of current 2026-27 has not been completed as on the date of approval of AGM notice by Board
10.	Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.	No default
A(4).	**Amount of the proposed transactions**	
11.	Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.	₹ 125.00 Crores
12.	Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?	Yes
13.	Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year.	₹ 125.00 Crores constitutes 14.36% of the Company's Annual Consolidated Turnover for the financial year ended March 31, 2026.

<table>
<tr><th>Sl. No.</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>14.</td><td>Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)</td><td>NA</td></tr>
<tr><td>15.</td><td>Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.</td><td>16.17%</td></tr>
<tr><td>16.</td><td>Financial performance of the related party for the immediately preceding financial year</td><td>The Financial Performance of QHT, on Standalone basis for the Financial Year ended March 31, 2025 is stated below:
<table>
<tr><th>Particulars</th><th>Amount (₹ in Lacs)</th></tr>
<tr><td>Turnover</td><td>77,323.76</td></tr>
<tr><td>Profit after Tax</td><td>5,212.99</td></tr>
<tr><td>Net worth</td><td>1,659.88</td></tr>
</table></td></tr>
<tr><td colspan="3">A(5). Basic details of the proposed transaction</td></tr>
<tr><td>17.</td><td>Specific type of the proposed transaction (e.g. sale of goods/ services, purchase of goods/services, giving loan, borrowing etc.)</td><td>Sale of Company's products/goods including but not limited to Forgings and other Auto Parts, Royalty received, Dividend received, rendering of services, transactions of reimbursements paid/received during the course of business of the Company, sale of finished/ semi-finished goods and raw materials</td></tr>
<tr><td>18.</td><td>Details of each type of the proposed transaction</td><td>
<table>
<tr><th>S. No.</th><th>Specific Type of the Proposed Transactions</th><th>Details of the Proposed Transaction</th><th>Amount (₹ in Crores)</th></tr>
<tr><td>1.</td><td>Sale of Company's Products</td><td>Sale of Company's products/goods including but not limited to Forgings and other Auto Parts,</td><td>95.00</td></tr>
<tr><td>2.</td><td>Dividend Income</td><td>Dividend income</td><td>1.5</td></tr>
<tr><td>3.</td><td>Royalty Income</td><td>Royalty income</td><td>2.00</td></tr>
<tr><td>4.</td><td>Others</td><td>Rendering of services, transactions of reimbursements paid/ received during the course of business of the Company, sale of finished/ semi-finished goods and raw materials</td><td>26.5</td></tr>
<tr><td colspan="3">Total</td><td>125.00</td></tr>
</table></td></tr>
<tr><td>19.</td><td>Tenure of the proposed transaction (tenure in number of years or months to be specified)</td><td>1 year (from April 1, 2026 to March 31, 2027)</td></tr>
</table>

Notice (Contd.)

Sl. No.	Particulars of the information	Information provided by the management
20.	Value of the proposed transaction during a financial year. If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.	₹ 125.00 Crores
21.	Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity	Both QHT and TACL are engaged in business of manufacturing of auto parts. QHT takes products from TACL and after processing /machining/ assembly sells the same to its customers. The Sale is done in ordinary course of business and at arm's length pricing. The transactions help the Companies to meet their customer demands and generation of revenue and business for both the Companies. Also there are transactions with respect to receipt of dividend on shares held in QHT and receipt of Royalty in lieu of permission to use Trademark of the Company. There are some expenses incurred by either TACL or by QHT on behalf of both Companies with respect to business needs and reimbursement are paid/received as per share of expenditure.
22.	Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly. A) Name of the director / KMP B) Shareholding of the director / KMP, whether direct or indirect, in the related party	Mr. Naresh Talwar, Mr. Umesh Talwar, Mr. Vidur Talwar, Mr. Varun Talwar and Mr. Anuj Talwar are concerned/ interested being common Directors of both the Companies. Their interest or concern or that of their relatives, are limited only to the extent of their holding directorship / KMP position in the Company and QHT. Mr. Naresh Talwar holds 0.0038% of equity shares of QHT. Mr. Umesh Talwar holds 0.0048 % of equity shares of QHT. Mr. Varun Talwar holds 0.0008 % of equity shares of QHT. Mr. Vidur Talwar holds 0.0010 % of equity shares of QHT. Mr. Anuj Talwar holds 0.0005 % of equity shares of QHT. Mr. Navin Juneja holds 1 equity shares of QHT.
23.	Other information relevant for decision making.	All relevant information are mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice
Part B: Additional information for proposed transactions including information on Material Related Party Transactions as per Industry Standards		
B(1). Additional details for proposed transactions relating to sale, purchase or supply of goods or services or any other similar business transaction		
24.	Bidding or other process, if any, applied for choosing a party for sale, lease or disposal of assets of subsidiary or of unit, division or undertaking of the listed entity	The Company has been selling its products to QHT since a long period and it enables the Company to achieve growth objective and utilising its efficiencies.
25.	Basis of determination of price.	The Company does ensure that the RPTs are done on arms' length basis taking into account various factors including comparable with unrelated parties or on cost plus reasonable margin basis or market price basis, or transaction net margin method, where available, or certified by any independent agency.Compliance with arms' length principles is ensured based on the applicable transfer pricing regulations.

Sl. No.	Particulars of the information	Information provided by the management
26.	In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice), if any, proposed to be extended to the related party in relation to the transaction, specify the following:	As per Industry (General) pricing terms.
	(a) Amount of Trade advance	
	(b) Tenure	
	(c) Whether same is self-liquidating?	

None of the Directors other than those disclosed, are in any way concerned or interested, in the Resolution mentioned at Item No. 5 of the accompanying Notice.

Basis the review and approval of the Audit Committee, the Board of Directors recommends the resolution set out at Item No. 5 of the accompanying Notice for the approval of the members as an Ordinary Resolution.

Item No. 6

The Board, on the recommendation of Audit committee, has approved the re-appointment of M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 000180) as the Cost Auditor of the Company to audit the cost records maintained by the Company for the financial year 2026-27.

M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 000180) have confirmed that they hold a valid certificate of practice under Sub-section (1) of Section 6 of the Cost and Works Accountants Act, 1959 and have given their consent to conduct Cost Audit for the financial year 2026-27.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 1,75,000/- (Rupees One Lac Seventy Five Thousand Only) exclusive of applicable taxes thereon and reimbursement of out of pocket expenses on actual basis incurred in connection payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board is required to be ratified by the members of the Company.

Accordingly, consent of the members is sought for ratification of remuneration payable to the Cost Auditors for the financial year 2026-27.

None of the Directors/Key Managerial Personnel of the Company/their relatives is concerned or interested, whether financially or otherwise, in the resolution set out at Item no. 6.

The Board recommends the Ordinary Resolution set out at Item No. 6 of the accompanying Notice for the approval by members of the Company.

By Order of the Board
For **Talbros Automotive Components Limited**

Sd/-
Seema Narang
Company Secretary

Place: Gurugram
Date: May 20, 2026

Notice (Contd.)

ANNEXURE- 1 TO NOTICE OF 69TH AGM

Details of Directors seeking Appointment/Re-appointment at the forthcoming Annual General Meeting (pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS 2) issued by the Institute of Company Secretaries of India are as under:

Name of the Director	**Mr. Navin Juneja**
DIN	00094520
Age / Date of Birth	68 years / 30.09.1957
Nationality	Indian
Qualifications	B.Sc. (Hons.) (Mathematics) & Chartered Accountant (FCA).
Expertise in specific functional areas	Advises various companies of Talbros Group on financial management and corporate planning. More than 40 years of rich experience in Finance, Accounting and Strategic Planning.
Brief Profile	Mr. Navin Juneja is the Director and Group CFO of the Company. He has more than 40 years of rich experience in Finance, Accounting and Strategic Planning. Mr. Navin Juneja advises Company and other group Companies on financial management and corporate planning.
Date of first Appointment	November 12, 2010
Relationship with other Directors inter-se and Key Managerial Personnel	Mr. Navin Juneja is not related with any Director or KMP of the Company.
No. of shares held in the Company	9940
Name of listed entities from which the person has resigned in the past three years	NIL
Terms & conditions of appointment/ re-appointment	-
List of Directorships held in other Companies (excluding foreign companies)	• Beacon Sales Private Limited • Talbros Indiparts Private Limited • TANDT Multi Trading Private Limited • Talbros International Private Limited
List of Committees of Board of Directors across all companies in which Chairmanship/ Membership is held (only Audit Committee and Stakeholders' Relationship Committee considered)	**Talbros Automotive Components Limited** • Audit Committee (Member) • Stakeholders Relationship Committee (Chairman)
Number of Board Meetings attended during the year	Attended 4 out of 4 Board Meetings held during 2025-26

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 69th Annual Report on the business and operations of your Company along with Audited Financial Statements (Standalone and Consolidated) and the Auditors' Report thereon for the financial year ended March 31, 2026.

FINANCIAL HIGHLIGHTS:

(₹ in Lacs)

Particulars:	Standalone		Consolidated	
	Year Ended March 31, 2026	Year Ended March 31, 2025	Year Ended March 31, 2026	Year Ended March 31, 2025
Revenue from Operations	87,004.16	82,705.22	87,004.16	82,705.22
Profit before Interest and Depreciation	15,651.10	14,844.73	15,509.74	14,726.93
Less : Interest	1,317.36	1,369.65	1,317.36	1,369.65
Depreciation	3,268.29	3,187.81	3,268.29	3,187.81
Profit/(Loss) before Exceptional Items, share in profit of joint ventures (net) and tax	**11,065.45**	**10,287.27**	**10,924.09**	**10,169.47**
Exceptional Items	-	-	-	-
Profit/(Loss) before share in profit of joint ventures (net) and tax	**11,065.45**	**10,287.27**	**10,924.09**	**10,169.47**
Share in profit/(loss) of joint ventures (net)	-	-	2,168.47	1,773.82
Profit before Tax	**11,065.45**	**10,287.27**	**13,092.56**	**11,943.29**
Less: Provision for Tax	2,741.67	2,529.10	2,741.67	2,529.10
Provision for Deferred Tax	(46.55)	(41.77)	(46.55)	(41.77)
Less: (Excess)/ Short provision of tax for earlier years written back/ provided	(13.56)	12.69	(13.56)	12.69
Profit after Tax	**8,383.89**	**7,787.25**	**10,411.00**	**9,443.27**
Other Comprehensive Income				
a) Items that will not be reclassified to profit and loss	1,369.13	692.81	1,372.01	695.71
b) Income tax relating to items that will not be reclassified to profit and loss	(319.49)	(161.23)	(319.49)	(161.23)
Total other comprehensive income	**1,049.64**	**531.58**	**1,052.52**	**534.48**
Total comprehensive income	**9,433.53**	**8,318.83**	**11,463.52**	**9,977.75**

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

BUSINESS REVIEW

In 2025-26, the global economy navigated a difficult landscape, with the IMF projecting global growth easing to 3.1% in 2026 from 3.4% in 2025. This deceleration stemmed largely from intensifying geopolitical tensions, most notably the conflict in West Asia, which disrupted key global shipping lanes and pushed up energy and raw material costs. Some relief came from lower tariffs and pockets of resilient economic data, yet manufacturers worldwide continued to contend with supply chain realignments, persistent inflationary pressures and shifting trade policies.

Against this challenging backdrop, India stood out as a resilient and fast-growing economic force. The country's real GDP is estimated to have grown 7.7% in 2025-26, accelerating from 7.1% the previous year. This strong showing was driven by robust rural consumption on the back of a favourable harvest, a buoyant manufacturing sector and continued government capital spending. A stable macroeconomic backdrop with retail inflation averaging just 1.7% between April and December 2025, further boosted consumer confidence and domestic demand.

BOARD'S REPORT (Contd.)

Within this environment, the Company delivered a landmark year, with a Profit After Tax of ₹104 Crores. This achievement reflected a deliberate shift in focus from winning new business to executing existing orders with discipline, ensuring that a strong order book translated into durable revenue and profitability. Talbros continued to draw on its diversified portfolio spanning gaskets, heat shields, forgings, chassis systems, and anti-vibration products to work through global supply chain shifts while capturing opportunities across every vehicle segment, including the fast-growing EV space.

The year also saw a marked strengthening of the Company's revenue pipeline, with Multi-year orders worth over ₹1000 Crores including orders worth ₹250 Crores from the sealing business of gaskets and heat shield products, ₹500 Crores in the forgings business, ₹90 Crores for BIW components, and ₹170 Crores for products like Hoses and Anti-vibration parts, strengthening its revenue visibility and market diversification.

Execution on major programs is now picking up pace, with the Stellantis chassis order set for commercialisation in June and key EV orders for European manufacturers beginning in the second half of the year. Supporting this growth, Talbros invested ₹51 Crores in capex during 2025-26 and has set aside ₹103 Crores for 2026-27 to expand capacity further and build technological capability.

The Company continued to push the boundaries of innovation, bringing to market futuristic, high-margin offerings such as light-weight aluminum heat shields designed for hybrid and EV platforms, which deliver superior noise reduction and thermal insulation. Its joint ventures remained a key source of strength, the Marelli Talbros Chassis Systems JV grew revenue by 21% and is finding growing traction with global luxury EV makers, while the Talbros Marugo JV has nearly tripled its revenue over the past five years.

Looking forward, Talbros is well placed to benefit from the 'China Plus One' shift, as global OEMs increasingly turn to India for high-quality, cost-effective engineering solutions. The Company's priorities going forward include sustaining healthy EBITDA margins through operational leverage, and deepening its role in the circular economy through a new ESG-focused JV with Lohum for rubber and carbon black recovery. By aligning R&D with global mobility trends and continuing to professionalise its leadership team, the Company remains focused on delivering long-term value for all its stakeholders.

INDUSTRY REVIEW

India's automotive sector reflected the same underlying economic momentum, closing out an exceptional year on nearly every metric. Total domestic vehicle sales rose to a seven-year peak of 28.2 Mn units, a solid 10.4% increase over the previous year. Passenger vehicles led the charge touching a record 4.64 Mn units on the back of continued SUV demand and the pricing advantage created by the GST 2.0 rate rationalisation. Two-Wheelers and Commercial Vehicles also staged strong comebacks, expanding 10.7% and 12.6% respectively. Meanwhile, the move toward electric mobility gained real traction with the sector recording more than 2.45 Mn EV retail sales, including a record 1.4 Mn electric two-wheelers.

For 2026-27, India's real GDP growth is anticipated to stay in a steady band of 6.8% to 7.2%. The automotive industry is likely to build on this momentum, helped by sound macroeconomic conditions, better visibility on rural incomes, and ongoing government backing for green mobility and localisation via initiatives like PM E-DRIVE and PLI. Even so, the sector is treading carefully, staying alert to the risk of supply chain bottlenecks and rising commodity costs linked to the extended geopolitical conflict in the Middle East.

FINANCIAL REVIEW

Your Company recorded all time high revenue from operations on standalone basis for the financial year 2025-26 amounting to ₹870.04 Crores, 5.20% higher as compared to the last financial year 2024-25 with gross turnover of ₹827.05 Crores. Profit after tax (PAT) for the Company for financial year 2025-26 was ₹83.84 Crores, 7.67% higher as compared to the PAT of ₹77.87 Crores in the previous year 2024-25.

The JV Company Marelli Talbros Chassis Systems Private Limited (MTCS) registered a turnover of ₹342.62 Crores up by 20.46% as compared to financial year 2024-25 turnover of ₹284.43 Crores. PAT of MTCS was ₹35.13 Crores, higher by 22.75 % as compared to ₹28.62 Crores in the previous year 2024-25.

Talbros Marugo Rubber Private Limited (TMR), another JV Company has registered a turnover of ₹146.73 Crores up by 13% as compared to financial year 2024-25 turnover of ₹129.85 Crores. PAT of TMR was ₹8.24 Crores as compared to ₹6.86 Crores in the previous financial year 2024-25.

During the financial year 2025-26, the consolidated total revenues increased by 5.20% from ₹827.05 Crores in 2024-25 to ₹870.04 Crores.

NEW INITIATIVES & FUTURE OUTLOOK

Your Company is a diversified auto components manufacturer with a strong presence across two-wheelers, passenger vehicles, commercial vehicles, and agricultural equipment.

Our business spans gaskets and heat shields, forgings, suspension systems, anti-vibration products, and hoses, supported by strategic joint ventures with global automotive leaders in suspension and rubber components.

In Gaskets, we retain a leading 50% share of the Indian gasket market, reflecting decades of engineering expertise and customer trust. At the same time, our Heat Shield business is scaling rapidly, developing advanced solutions for hybrid and electric vehicle platforms while strengthening our presence in the next generation of mobility.

We are transitioning from securing orders to executing them with excellence. This shift demands disciplined capacity creation and operational precision. To support this next phase, we invested ₹51 Crores in capital expenditure during 2025-26 and plan to invest a further ₹103 Crores in 2026-27 to expand capacity in line with growing demand.

During the year, the Company secured multiple long-term orders from both domestic and international customers across all business divisions, product lines, and joint ventures. The Company has begun to execute the orders as per the timelines.

Our new joint venture, Lohum Talbros CarbonTech Private Limited is progressing as planned. This business represents our strategic entry into sustainable materials to recover Carbon Black and Devulcanized Rubber further strengthening Talbros presence in the circular economy ecosystem. Going ahead we believe this business offers significant revenue potential and expected to emerge as important growth drivers over the medium to long term. Our strong order book, diversified customer base, leadership position across multiple products categories and continued investment in technology and capacity provide us confidence in delivering sustainable growth momentum in the coming quarters.

Looking ahead, the Company's strategic priorities include scaling exports to over 20% of revenue, increasing penetration in high-growth segments such as EVs, premium chassis systems, and heavier forged components, and furthering localisation and technology investments to strengthen cost competitiveness.

Sustainability will remain central to our growth approach, with continued efforts in localisation, energy efficiency, and process optimisation aimed at improving environmental performance while enhancing operational resilience.

TRANSFER TO RESERVE

An amount of ₹50 Lacs has been transferred to General Reserves out of the profit earned during the financial year 2025-26.

DIVIDEND

Your Board of Directors declared Interim Dividend for the financial year 2025-2026, 10% (₹0.20 per equity share) on 6,17,28,150 Equity Shares of ₹2/- each, aggregating to ₹1,23,45,630/-, at its meeting held on November 13, 2025. The said Interim dividend was paid to the Shareholders on December 5, 2025.

Further, your Directors are pleased to recommend, a final dividend @ 27.5% (₹0.55 per equity share) for the financial year 2025-26 on 6,17,28,150 Equity Shares of ₹2/- each, aggregating to ₹3,39,50,482.50/- (Rupees Three Crore Thirty Nine Lacs Fifty Thousand Four Hundred Eighty Two and fifty paise only), for the approval of members at the ensuing Annual General Meeting.

MANAGEMENT DISCUSSION & ANALYSIS

In terms of the provisions of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis is enclosed as **Annexure-I** to this Report and provides a detailed analysis on the performance of business and its outlook.

BUSINESS AND OPERATIONS OF THE COMPANY AND THE MATERIAL CHANGES AFFECTING IT

The Company is relentlessly working on increasing the business and is taking all necessary steps to ensure the health, safety and well-being of its employees and constantly moving forward on the path of growth.

No material changes and commitments affecting the financial position of the Company have occurred after the end of the financial year ended March 31, 2026 till the date of this Report.

CHANGE IN THE NATURE OF BUSINESS

There has been no change in the nature of business of the Company during the year under review.

SHARE CAPITAL

The Paid up share capital of the Company as on March 31, 2026 stands at ₹12,34,56,300/- divided into 6,17,28,150 equity shares of ₹2/- each.

Further, Company did not issue any class or category of shares, Employee Stock Options, Convertible securities and consequently there is no change in the capital structure since previous year.

BOARD'S REPORT (Contd.)

CREDIT RATING

Company's credit ratings were re-affirmed by CARE Ratings on December 5, 2025. The ratings of the Company are as under:

Facilities	Amount (₹ Crores)	Rating
Long term Bank Facilities	118.47	CARE A+; Stable (Reaffirmed)
Short term Bank Facilities	45.00	CARE A1+ (Reaffirmed)
Total Bank Facilities	**163.47** **(₹ One Hundred Sixty-three Crore and forty seven Only)**	**-**
Medium Term Instrument (Fixed Deposit)	-	-
Total Medium Term Instruments	**-**	**-**

TRANSFER OF UNPAID DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of provisions of Section 125 of the Companies Act, 2013, the unclaimed final dividend pertaining to the financial year 2017-18 for amount aggregating to ₹1,95,026/- had been transferred on November 1, 2025 to the "Investor Education and Protection Fund" established by the Central Government.

The Company shall transfer the unclaimed dividend for the financial year 2018-19 to the Investor Education and Protection Fund after completion of 7 years from the date of transfer of said dividend into the Unclaimed Dividend Account in compliance with the provisions of Section 125 of the Companies Act, 2013.

The shareholders who have not encashed their dividend warrants for the financial year 2018-19 or any subsequent year are requested to lodge their claims for revalidation of dividend warrants. The Company is intimating those members who have so far not claimed the unpaid dividend for the financial year 2018-19.

The Company has transferred 68385 equity shares of ₹2/- each to "Investor Education and Protection Fund" in the previous year and the unpaid Dividend on such shares was also transferred to the Investor Education and Protection Fund (IEPF).

The Company would be transferring the required shares this year as per the data finalised by KFIN Technologies Limited, Registrar and Transfer Agent of the Company.

DIRECTORS

Your Directors intrinsically believe in the philosophy of Corporate Governance and are committed to it for the effective functioning of the Board.

The Board of Directors recognises and embraces the importance of a diverse board in its success. Your Company believes that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help it retain its competitive advantage.

During the year 2025-26, there have been changes in the composition of the Board of Directors as under:

- Mr. Rajat Verma (DIN: 02548070), Independent Director of the Company, resigned due to his other professional commitments and ceased to be a Director of the Company with effect from March 13, 2026.
- Mr. Naresh Talwar (DIN:00059155) stepped down from the position of Chairman of the Board on the close of working hours on March 31, 2026, and continues as Non-Executive Director of the Company with effect from April 01, 2026.
- Mr. Umesh Talwar (DIN: 00059271) vacated the office of Vice Chairman and Managing Director on the close of working hours on March 31, 2026 and has been appointed as Executive Chairman- Whole Time Director (Key Managerial Personnel) of the Company for a period of 3 (Three) years w.e.f. April 01, 2026.
- Mr. Anuj Talwar (DIN: 00628063) vacated the office of Joint Managing Director on the close of working hours on March 31, 2026 and has been appointed as Managing Director (Key Managerial Personnel) of the Company for a period of 3 (Three) years w.e.f. April 01, 2026.
- Mr. Varun Talwar (DIN: 00263984) vacated the office of Joint Managing Director on the close of working hours on March 31, 2026 and has been appointed as Vice Chairman and Managing Director of the Company for a period of 3 (three) years with effect from April 01, 2026.
- Mr. Pratham Mittal (DIN: 08338216) has been appointed as an Additional Director (Independent) of the Company

with effect from May 20, 2026, subject to approval of shareholders of the Company.

DIRECTORS RETIRING BY ROTATION

In accordance with the provisions of Companies Act, 2013 and the Articles of Association of the Company, Mr. Navin Juneja (DIN: 00094520) is liable to retire by rotation and being eligible, offers himself for re-appointment/appointment.

Details of the proposal for director seeking re-appointment are mentioned in the annexure to the Explanatory Statement of the Notice of 69th Annual General Meeting. The Board recommends his re-appointment to the members for their approval.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SECTION 149(7)

The Independent Directors have furnished the necessary declaration of Independence stating that they fulfill the criteria of independence as per the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations and are not disqualified to act as Independent Directors.

They have also complied with requirements of Code for Independent Directors prescribed in Schedule IV of the Companies Act, 2013. The Board is of the opinion that Independent Directors fulfill the independence requirement in strict sense and are eligible to continue as Independent Directors of the Company.

KEY MANAGERIAL PERSONNEL

Mr. Ashish Gupta has been appointed as Chief Executive Officer of the Company w.e.f. 1st April, 2026. He is a production engineering graduate, a seasoned leader with over 35 years of experience across diverse industries and has held senior roles in India and abroad, including Germany and the CIS region. He has been instrumental in setting up and scaling automotive manufacturing operations. Mr. Gupta excels in driving operational excellence, profitability, and innovation. His expertise in factory operations, quality assurance, and team building has consistently delivered sustainable growth and superior value to stakeholders.

As on date, Company has following Key Managerial Personnel in compliance with the provisions of Section 203 of the Companies Act 2013.

1. Mr. Umesh Talwar - Chairman
2. Mr. Anuj Talwar - Managing Director
3. Mr. Varun Talwar - Vice Chairman & Managing Director
4. Mr. Ashish Gupta - Chief Executive Officer (CEO)
5. Mr. Manish Khanna - Chief Financial Officer (CFO)
6. Mrs. Seema Narang - Company Secretary

All Directors, Key Managerial Personnel and senior management have confirmed compliance with the Company's Code of Conduct.

CORPORATE SOCIAL RESPONSIBILITY

Company has formulated a Corporate Social Responsibility (CSR) policy which encompasses its philosophy and guides its sustained efforts for supporting socially useful programs for welfare and sustainable development of the weaker sections of the society.

The Company has contributed to several organisations namely Armed Forces Flag Day Fund, The Earth Saviours Foundation, Savera Association, Roshni Education Society, Sarvam Foundation, NGO Sapna, Servants of the People Society, Venu Charitable Society, Save The Girl, The Talwar Foundation, Delhi Common Wealth Women's Association, Guild for Service, Indian Institute of Cerebral Palsy, Udyan Care, Ladli Foundation, Akshaya Patra, Akhand Jyoti (in the name of "Yugrishi shriram sharma Acharya Charitable Trust"), People for Action, CRY, Help Care Society, Wheelchair Cricket India Association, Narbheram Hansraj English School Society, Bal Raksha Bharat for fulfilling its CSR obligations for the financial years 2025-26 and ensuring compliance with provisions of Section 135 of the Companies Act, 2013 and the rules made thereunder.

The amount of ₹160.88 Lacs was spent by the Company during the financial year 2025-26 to fulfill its CSR obligations and ensure compliance with the provisions of the Companies Act, 2013 and the rules made thereunder.

As per Section 134(3)(o) of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 read with various clarifications issued by Ministry of Corporate Affairs, the Company undertakes activities as per the CSR Policy (available on company's website www.talbros.com) and further details of the CSR activities are contained in the **Annexure - III** to this Report.

AUDITORS AND AUDITORS REPORT

Statutory Auditors

M/s. J C Bhalla & Co., (ICAI Firm Registration No. 001111N), Chartered Accountants, were re-appointed as Statutory Auditors of the Company at 65th Annual General Meeting of the Company held on September 25, 2022 for a second term of 5 years to hold office till the conclusion of 70th AGM.

BOARD'S REPORT (Contd.)

The Report given by M/s. J C Bhalla & Co., Chartered Accountants, Statutory Auditors on the financial statements (standalone as well as consolidated) of the Company for the financial year 2025-26 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

Annual Secretarial Audit Report and Compliance Report

Pursuant to Regulation 24A(2) of Listing Regulations, all listed entities on annual basis are required to obtain Annual Secretarial Compliance Report from Practicing Company Secretary (PCS) on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder and the said report is further required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company engaged the services of Kiran Sharma & Co., Practicing Company Secretaries (Membership No. 4942 & Certificate of Practice No. 3116) PCS and Secretarial Auditor of the Company for providing this certification for 2025-26.

The Company has complied with the above said provisions and Annual Secretarial Compliance Report for 2025-26 has been submitted to the Stock Exchanges within stipulated time.

The Secretarial Audit Report for the Financial Year ended March 31, 2026 under the Act, read with Rules made thereunder and Regulation 24A (1) of the Listing Regulations is set out in the **Annexure - IV** to this Report. There are no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

Appointment of Secretarial Auditors

In accordance with Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the amended provisions of Regulation 24A of the Listing Regulations, the Board of Directors, based on the recommendation of the Audit Committee and Board of Directors, members of the Company at 68th Annual General Meeting, approved, the appointment of Kiran Sharma & Co., Practicing Company Secretaries (Membership No. 4942 & Certificate of Practice No. 3116 and Peer Review Certificate No.: 7910/2026), as Secretarial Auditors of the Company to hold office for a term of Five years, from 2025-26 to 2029-30.

Cost Auditors

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder M/s. Vijender Sharma & Co., Cost accountants (Firm Registration No. 000180) were re-appointed as the Cost Auditors of the Company for the financial year ending March 31, 2025 to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

The Cost Audit Report for the financial year 2024-25 issued by M/s. Vijender Sharma & Co., Cost Accountants (Firm Registration No. 000180) in respect of the various products as prescribed under the Cost Audit Rules was filed in the prescribed form with the Ministry of Corporate Affairs (MCA) during the year.

The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of the ensuing Annual General Meeting. Further, on the recommendation of the Audit Committee, the Board of Directors have also re-appointed them as Cost Auditors for financial year 2026-27, to conduct Cost Audit of the accounts maintained by the Company in respect of the various products prescribed under the applicable Cost Audit Rules.

Internal Auditors

In compliance with the provisions of Section 138 of the Act, read with the Companies (Accounts) Rules, 2014, the Internal Audit of various units of Company, for the 2025-26 was carried out by the following Internal Auditors:

M/s. Forvis Mazars LLP, Gurgaon as the Internal Auditors to conduct the Internal Audit for Gasket Division at Faridabad and Forging Division at Bawal.

M/s. Kirtane & Pandit LLP, Chartered Accountants, Pune as the Internal Auditors to conduct the Internal Audit for Company's Plant at Pune.

M/s. Pant Ravi & Associates, Chartered Accountants as the Internal Auditor to conduct the Internal Audit for Company's Plant at Sitarganj.

Further, the Board in their meeting held on May 20, 2026 has reappointed the existing Internal Auditors for conducting Internal Audit for the financial year 2026-27.

RISK MANAGEMENT

The Company has formulated a process for risk management. The company has set up a core group of leadership team, which identifies, assesses the risks and the trends, exposure and potential impact analysis at different level and lays down the procedure for minimisation of the risks.

Company has identified various strategic, operational and financial risks which may impact company adversely; however, management believes that the mitigation plans for identified risks are in place and may not threaten the existence of the company.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

DISCLOSURES

Board Meetings

During the Financial Year 2025-26, 4 (four) Board Meetings were held on May 26, 2025, August 7, 2025, November 13, 2025, February 11, 2026, Details of the same are available in the section Meetings of the Board of Directors' in the Corporate Governance Report.

Audit Committee

During the Financial Year 2025-26, 4 (four) meetings of Audit Committee were held on May 26, 2025, August 7, 2025, November 13, 2025, February 11, 2026. Composition and other details of the Audit Committee are available in the Corporate Governance Report.

During the year under review, all the recommendations of the Audit Committee have been duly considered and accepted by the Board of Directors.

Nomination and Remuneration Committee

During the Financial Year 2025-26, 2 (Two) meeting of the Nomination and Remuneration Committee were held on May 01, 2025 and January 24, 2026. Composition and other details of the Nomination and Remuneration Committee are available in the Corporate Governance Report.

Stakeholders' Relationship Committee

During the Financial Year 2025-26, 4 (four) meetings of Stakeholders' Relationship Committee were held on May 26, 2025, August 7, 2025, November 13, 2025 and February 11, 2026. Composition and other details of the Stakeholder's Relationship Committee are available in the Corporate Governance Report.

Corporate Social Responsibility Committee

During the Financial Year 2025-26, 2 (two) meetings of the Corporate Social Responsibility Committee were held on May 01, 2025 and August 04, 2025. Composition and other details of the Corporate Social Responsibility Committee are available in the Corporate Governance Report.

Remuneration Policy & Board Evaluation

The Board on the recommendation of the Nomination & Remuneration Committee for selections and appointments of Directors, senior management and decides their remuneration, after reviewing their qualifications, positive attributes, independence of Directors and board diversity.

Remuneration Policy of the Company is based on the fundamental principles of payment for performance, potential, growth and aligning remuneration with the longer term interests of the Company and its shareholders, promoting a culture of merit recognition and creating a linkage to corporate and individual performance. The criteria for performance evaluation of Directors cover the areas relevant to their functioning as member of Board or its Committees thereof. The manner in which the performance evaluation of the Board and its Committees thereof, the Chairman and the Directors individually has been carried out has been explained in the Corporate Governance Report.

The Remuneration Policy of the Company is available on company's website www.talbros.com.

Related Party Disclosures

Related party transactions are periodically reviewed and approved by Audit committee and are also placed before the Board for necessary approval. The Company has developed standard operating procedures for the purpose of identification and monitoring of such transactions as referred to in Section 188(1) of the Companies Act, 2013.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other related parties which may have a potential conflict with the interest of the Company at large.

SEBI had made a major recast of the regulatory processes on related party transactions vide various Circulars mandating

BOARD'S REPORT (Contd.)

"Prior" approval of shareholders for material related party transactions from AGM to AGM basis. Therefore, the Board has taken relevant approvals from the Audit Committee for entering into the Related party transactions and the Board of the Company also recommend Member's approval for the resolution regarding Material Related Party Transactions as set out in the notice of AGM.

The contracts or arrangements of the Company with related parties during the period under review were in ordinary course of business and on arms' length basis and in accordance with the shareholders' approval, wherever required. The Audit Committee has also given the omnibus approval for the transactions repetitive in nature in the first Board Meeting of the Financial Year.

The Board has approved policy for related party transactions in terms of provision of Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which is available on company's website www.talbros.com.

The prescribed Form **AOC- 2** giving particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is attached as **Annexure II**.

Frauds reported during the year

No material frauds were reported for the period under review.

Statement containing salient features of the Financial Statement of Subsidiaries/ Associate Companies/ Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures as on March 31, 2026 in Form AOC-1 is annexed to this Report as **Annexure V**.

Conservation of energy, technology absorption, research and development and foreign exchange earnings and outgo

In accordance with the requirements of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, statement showing particulars with respect to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are annexed hereto as **Annexure VI** and form part of this report.

Particulars of remuneration of Employees

The ratio of remuneration of each director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure –VII**.

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees are available with the Company. In terms of provisions of Section 136(1) of the Act, any member intends to obtain a copy of the said details may write to the Company Secretary and Compliance Officer of the Company.

Public Deposits

There are no deposits outstanding as on March 31, 2026, except for some unclaimed deposits.

No fresh deposits were accepted during the year. Deposit amounting to ₹126000 remains unclaimed at the end of financial year 2025-26 and the same would be transferred to Investor Education and Protection Fund (IEPF) after completion of 7 years.

There has been no default in repayment of deposits or payment of interest thereon during the year.

No order with respect to depositors for extension of time for repayment, penalty imposed has been received from National Company Law Tribunal (NCLT)/ National Company Law Appellate Tribunal (NCLAT).

All deposits are in compliance with the requirements of the Companies Act, 2013.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

Please refer to the Paragraph on Familiarisation Program in the Corporate Governance Report for detailed analysis.

HUMAN RESOURCES

Please refer to the paragraph on Human Resources in the Management Discussion & Analysis section for detailed analysis.

Particulars of Loans, Guarantees or Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

Listing of Shares

The Equity Shares of the Company are listed on the BSE Limited (BSE), Mumbai and National Stock Exchange of India

Limited (NSE).

Registrar and Share Transfer Agent

The Share Transfer and other activities are being carried out by M/s KFin Technologies Limited (earlier Kfin Technologies Private Limited), Registrar and Share Transfer Agent from the following address:-

Selenium Building, Tower-B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana India - 500032

Corporate Governance

A Certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as per the requirement of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, is enclosed as **Annexure VIII** and is part of this Report.

The Board of Directors support the concept of Corporate Governance and having regard to transparency, accountability and rationale behind the decisions have made proper disclosures separately under the heading "Report on Corporate Governance" which forms part of this Annual Report.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of Workplace Harassment as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/ her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel.

The Policy aims to provide protection to the employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the object of providing a safe working environment, where employees feel secure. The company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommendation for appropriate action. Policy regarding Sexual Harassment at Work Place is available at the company website i.e. www.talbros.com

The Annual Report of the Internal Complaints Committee of the Company pursuant to Section 21 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder for the year ended December 31, 2025 has duly been filed with the office of District Officer.

The details relating to the number of complaints received and disposed-off during FY 2025-26 are as under:

S. No.	Particular	No of Complaints
1	No. of complaints received during the year	0
2	No. of complaints disposed-off during the year	0
3	No. of cases pending for more than 90 days, if any.	0

The Internal Complaints Committee of the Company had been reconstituted during the year under review. The composition of the Committees w.e.f. February 11, 2026 are as under:-

Composition of Internal Complaints Committees

FARIDABAD

Sr. No.	Name	Designation
1.	Ms. Heena Singh	Chairperson
2.	Adv. Amarlata	External Member
3	Mr. Manish Khanna	Member
4.	Ms. Santosh Bhatia	Member

PUNE

Sr. No.	Name	Designation
1.	Ms. Heena Singh	Chairperson
2.	Adv. Amarlata	External Member
3	Mr. Tarkeshwar Nath Tewari	Member
4.	Ms. Kalpana Ingale	Member

BAWAL

Sr. No.	Name	Designation
1.	Ms. Heena Singh	Chairperson
2.	Adv. Amarlata	External Member
3	Mr. Anshu Mehra	Member
4.	Mr. Ajit Singh	Member

BOARD'S REPORT (Contd.)

SITARGANJ		
Sr. No.	**Name**	**Designation**
1.	Ms. Heena Singh	Chairperson
2.	Adv. Amarlata	External Member
3	Mr. K N Bhatt	Member
4.	Mr. Raju Singh	Member

No complaints have been filed/ disposed of/ pending during the financial year ended March 31, 2026.

Vigil Mechanism

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and Employees to report genuine concerns has been established.

Details of establishment of Vigil Mechanism/ Whistle Blower are disclosed in the Corporate Governance Report.

The policy on Vigil Mechanism is available on Company's website at www.talbros.com

In exceptional circumstances or issues related to reprisal, retaliation, victimisation of any Whistle Blower, the employee shall have direct access to Ms. Priyanka Gulati – Chairperson of the Audit Committee.

During the year under review, no employee was denied access to the system to report any grievance.

No complaints/ grievances were received from any employee during the year under review.

Details of significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

No significant or material orders were passed by the Regulators or Courts or Tribunals which impacts the going concern status and Company's operations in future.

Compliance with Secretarial Standards

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

Annual Return

In compliance with the provisions of Section 92(3) read with Section 134(3)(a) of the Companies Act, 2013, the Annual Return of the Company for the financial year 2025-26 in prescribed form is placed on Company's website www.talbros.com.

Details of application/ proceeding pending under the Insolvency and Bankruptcy Code, 2016

Neither any application has been made nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 during the year under review.

Details of difference in valuation

There is no such instance of difference in valuation as the Company has not done one-time settlement with any Bank or Financial Institution.

COMPLIANCE WITH MATERNITY BENEFIT

The Company has complied with the provisions relating to the Maternity Benefits Act, 1961.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, your Directors hereby state and confirm:

a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departure was made for the same;

b) That Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the period ended on March 31, 2026;

c) That Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) That Directors have prepared the annual accounts on a going concern basis;

e) That Directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively;

f) That the directors have laid down internal financial control to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

ACKNOWLEDGEMENT

Your Directors gratefully acknowledge the support given by our customers, shareholders, financial institutions and banks and all other stakeholders and we look forward to their continued support.

Your Directors place on record their appreciation for the contribution made by the Company's employees at all levels. Your Company's growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board
Talbros Automotive Components Limited

	Sd/-	**Sd/-**
	Umesh Talwar	**Anuj Talwar**
Place: Gurugram	Chairman	Managing Director
Date: May 20, 2026	(DIN: 00059271)	(DIN: 00628063)

MANAGEMENT DISCUSSION & ANALYSIS

GLOBAL ECONOMY

The global economy navigated a complex structural realignment during FY 2025, transitioning from a post-pandemic recovery into a more measured expansion. According to the IMF's World Economic Outlook (WEO) of April 2026, global GDP growth is projected to moderate to **3.1% in FY 2026** and **3.2% in FY 2027**, down from **3.4% in FY 2025**. This deceleration largely reflects the escalation of the West Asia conflict, which has renewed supply-chain pressures, elevated energy-price volatility and fostered a risk-off sentiment across global markets.

Emerging Markets and Developing Economies (EMDEs) continue to anchor global momentum, projected to expand at 3.9% in FY 2026 and 4.2% in FY 2027, with India and other Asia-Pacific economies leading this trajectory. Advanced economies, by contrast, are anticipated to chart a more subdued path of 1.8% in FY 2026 and 1.7% in FY 2027, as elevated public-debt levels and weakening industrial output constrain growth headroom, particularly across Europe.

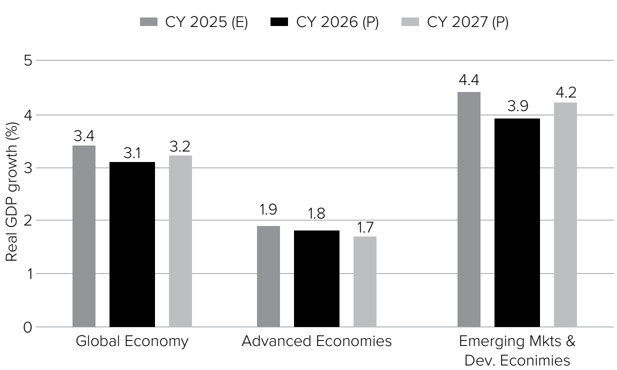


Figure 1 — Global GDP growth projections by economic group (%). Source: IMF World Economic Outlook, April 2026.

Intensifying strategic rivalries between the United States and China have simultaneously accelerated a fundamental reconfiguration of global supply chains. As multinational corporations pursue near-shoring and friend-shoring strategies to build geopolitical resilience, India has emerged as a preferred destination for supply-chain relocation. This structural shift is accelerating the localisation of industrial and automotive manufacturing, driving sustained demand for precision-engineered components, and prompting Original Equipment Manufacturers (OEMs) to expand their domestic footprints.

While global headline inflation is projected to rise modestly to **4.4% in FY 2026** before easing to **3.7% in FY 2027**, major central banks pivoted towards rate cuts in the second half of FY 2025. For the capital-intensive manufacturing sector, this monetary easing translates into a lower cost of capital, stimulating global industrial activity.

Outlook

The global macroeconomic environment across FY 2026 and FY 2027 presents a mixed yet navigable backdrop for industrial investment. Moderating growth and persistent geopolitical uncertainty, arising from the Russia-Ukraine and West Asia conflicts, alongside the gradual easing of inflationary pressures, are collectively shaping an environment in which capital allocation is becoming increasingly selective.

Source: IMF World Economic Outlook, April 2026.

INDIAN ECONOMY

India sustained its position as one of the world's fastest-growing major economies in 2025-26. As per the Provisional Estimates released by the Ministry of Statistics and Programme Implementation (MoSPI) on June 05, 2026, real GDP growth was estimated at **7.7%** in 2025-26, up from **7.1%** in 2024-25.

Manufacturing emerged as the principal driver of economic performance during the year, recording double-digit growth in the rebased estimates. Gross Fixed Capital Formation (GFCF) expanded at a healthy pace, supported by sustained public investment and a gradual recovery in private-sector capital formation.

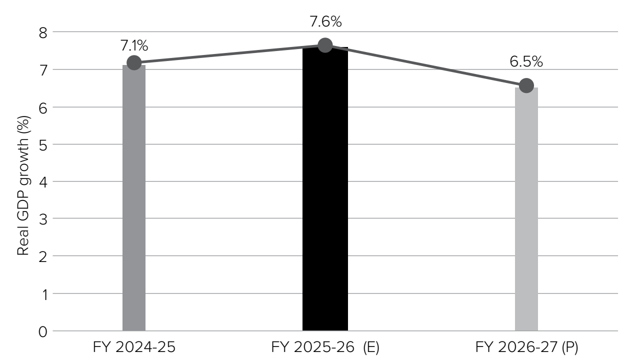


Figure 2 — India real GDP growth (%). E: Estimate; P: Projection. Source: MoSPI Second Advance Estimates, 27 February 2026.

Infrastructure and Industrial Momentum

A defining feature of 2025-26 was the Government's consistent emphasis on infrastructure-led growth. The Union Budget 2026-27 allocated capital expenditure of ₹12.22 Lacs Crores, an increase of approximately 9% year-on-year, directly stimulating industrial activity across the economy.

The overall Index of Industrial Production (IIP) recorded 4.1% growth during the year. The infrastructure and construction goods sub-index significantly outperformed the aggregate, posting a 9.8% rise for the full year. This targeted growth underscores the direct impact of project execution on the broader economy, which in turn catalysed demand across the commercial mobility and ancillary manufacturing sectors.

Macroeconomic Stability

India maintained robust macroeconomic stability through disciplined fiscal and monetary management. Headline CPI inflation averaged 3.6% for 2025-26, remaining well within the RBI's target band despite global crude-oil volatility.

The RBI implemented cumulative repo-rate cuts of **100 basis points** during the year, lowering borrowing costs and improving refinancing conditions for capacity expansions. The Government also contained the fiscal deficit at **4.4% of GDP**, achieving measured consolidation without crowding out the critical public infrastructure spending required for long-term industrial growth.

Outlook

India's economic outlook for 2026-27 remains highly favourable, supported by strong fundamentals, policy continuity and active private-sector participation. The country's demographic structure characterised by a median age of approximately **28 years** and rising workforce participation is directly consequential for automotive demand. The integration of Tier-2 and Tier-3 cities into formal economic activity continues to expand India's mobility network beyond traditional metro-to-metro corridors, acting as a powerful structural growth driver for the domestic automotive component ecosystem.

Sources: RBI Monetary Policy Statement, 8 April 2026; MoSPI GDP Press Note (New Base Year 2022-23), 27 February 2026; PIB Union Budget 2026-27 Highlights; PIB IIP March 2026.

GLOBAL AUTOMOTIVE SECTOR

The global automotive sector recorded measured growth in FY 2025, supported by easing supply-chain disruptions, improved semiconductor availability and resilient market demand. Industry estimates, including data from the International Organisation of Motor Vehicle Manufacturers (OICA), indicate a modest expansion in global vehicle sales, driven primarily by replacement demand and inventory normalisation. The growth trajectory nonetheless remained uneven across regions, reflecting divergent macroeconomic conditions and shifting interest-rate environments.

Market demand continued to shift towards sport-utility vehicles (SUVs), premium segments and electrified powertrains, supporting higher value realisations across OEMs and component suppliers. Electric vehicle (EV) adoption remained a critical structural driver, with global sales expanding on the back of robust uptake in China, Europe and the United States. EV adoption in certain developed markets, however, showed signs of moderation, constrained by subsidy rationalisation, charging-infrastructure bottlenecks and affordability concerns.

The commercial vehicle (CV) segment benefited from sustained logistics demand, robust infrastructure activity and ongoing fleet-replacement cycles. Strong growth was registered across the two-wheeler and entry-level mobility segments in emerging markets in Asia, Africa and Latin America, driven by rapid urbanisation and affordability-led demand, highlighting a distinct divergence in mobility drivers between advanced and emerging economies.

Global Automotive Segment Performance in FY 2025

Segment	Sales (Units)	YoY Growth (%)
Passenger Vehicles	~90-95 Mn	~3-4
Commercial Vehicles	~25-28 Mn	~4-6
Electric Vehicles	~17 Mn	~20-25
Two-Wheelers (Emerging Markets)	~60 Mn+	~5-7

Outlook

The global automotive sector is anticipated to experience moderating growth in FY 2026, with tighter financial conditions, elevated borrowing costs, and geopolitical uncertainties continuing to impact input costs and market sentiment. Regional divergence is expected to persist, with emerging markets projected to outperform advanced economies.

Overarching structural megatrends, including electrification, premiumisation, digital integration, and regulatory-driven emission transitions, continue to reshape the industry. These shifts are expected to continue accelerating vehicle complexity and component content per unit, sustaining long-term structural demand for advanced, precision-engineered automotive components despite near-term cyclical headwinds.

INDIAN AUTOMOTIVE SECTOR

The Indian automotive sector recorded steady growth during 2025-26, underpinned by stable macroeconomic conditions, improving rural liquidity, and sustained infrastructure-led activity. Growth was driven by broad demand recovery, supply

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

chain normalisation, and a structural shift towards higher-value vehicle segments.

A transformative catalyst for this volume expansion was the landmark implementation of the GST 2.0 rate rationalisation in September 2025. This structural tax reform significantly reduced the GST burden on mass-market mobility, slashing rates on small cars, two-wheelers (up to 350cc), and commercial vehicles from 28% to 18%, alongside the complete elimination of the compensation cess on small cars. The resulting improvement in affordability catalysed robust retail volume expansion, providing sustained tailwinds for the entire automotive supply chain.

INDIAN AUTO COMPONENT INDUSTRY

India's automotive component industry continued its strong growth trajectory in FY2025-26, crossing ₹7.6 Lacs Crores (US$85.9 Bn) in turnover, reflecting a 12.7% year-on-year increase. The industry's expansion was underpinned by robust domestic vehicle production, sustained export demand and continued investments in manufacturing capabilities, technology and localisation. Over the past five years, the sector has more than doubled in size, delivering a CAGR of approximately 17%, reinforcing India's emergence as a preferred global manufacturing hub.

Domestic demand remained the primary growth engine. Supplies to Original Equipment Manufacturers (OEMs) grew 16.3% to ₹6.63 Lacs Crores, supported by healthy production across passenger vehicles, commercial vehicles and two-wheelers. The aftermarket also demonstrated resilience, expanding 9% to ₹1.08 Lacs Crores, driven by an expanding vehicle parc, longer vehicle ownership cycles and the increasing formalisation of the repair and service ecosystem.

International markets continued to present attractive opportunities for Indian manufacturers. Auto component exports rose 5% to US$24 Bn, with Europe emerging as the fastest-growing destination, while engine components, transmission systems and steering assemblies accounted for a significant share of export volumes. At the same time, imports increased 13% to US$25.4 Bn, reflecting rising demand for advanced technology products and specialised components that remain dependent on global supply chains.

The industry's performance also highlighted an evolving strategic priority. While higher imports underscore the need to strengthen domestic capabilities in advanced technologies, they also present a significant opportunity to accelerate localisation, deepen value addition and enhance India's competitiveness across global automotive supply chains.

Looking ahead, the sector's outlook remains positive. Rising domestic demand, sustained infrastructure-led economic growth, increasing manufacturing investments, supportive policy initiatives and expanding global sourcing from India are expected to reinforce the industry's long-term growth momentum, positioning it for continued expansion across both domestic and international markets.

Industry Performance Snapshot (₹ Crores)

Segment	2026	2025	Growth Rate
Auto Components Supply to OEMs	662,893	570,145	16.3%
Aftermarket	108,453	99,498	9.0%
Exports	212,176	192,326	10.3%
Imports	224,287	188,412	19.0%
Industry Turnover	759,234	673,557	12.7%

(Source: https://auto.economictimes.indiatimes.com/news/auto-components/indias-auto-component-industry-grows-127-to-76-lakh-crore-in-fy26/132235493)

Strategic Policy Catalysts and Electrification

The Government of India continues to strengthen the competitiveness of the domestic automotive manufacturing ecosystem through the Production Linked Incentive (PLI) Scheme for the Automobile and Auto Components Industry, with a total budgetary outlay of ₹25,938 Crores. The scheme aims to accelerate domestic manufacturing of Advanced Automotive Technology (AAT) products, encourage investments across the automotive value chain and enhance India's position as a global manufacturing hub for next-generation mobility solutions.

As of November 30, 2025, the scheme had 82 approved applicants operating multiple manufacturing facilities across the country for the production of various AAT products. Incentives amounting to ₹1,350.83 Crores had been disbursed to five eligible applicants, while cumulative eligible sales of ₹32,879 Crores had been achieved as of September 30, 2025, against a targeted ₹2.31 Lacs Crores in incremental sales over the base year 2019-20 by March 2028.

A key feature of the scheme is its emphasis on Domestic Value Addition (DVA), which incentivises manufacturers to increase local sourcing and production of high-value automotive technologies. This has accelerated the localisation of the electric vehicle (EV) value chain, strengthened domestic manufacturing capabilities across AAT products and supported the broader adoption of electric mobility in India.

The Government of India has reinforced its commitment to clean mobility through the PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, launched on September 29, 2024 with a budgetary outlay of ₹10,900 Crores. Implemented over the period from April 01, 2024 to March 31, 2026, the scheme aims to accelerate electric vehicle (EV) adoption, strengthen charging infrastructure and deepen the domestic EV manufacturing ecosystem. It also subsumes the Electric Mobility Promotion Scheme (EMPS) 2024, ensuring continuity in policy support and providing a unified framework for advancing India's electric mobility transition.

Outlook

The auto-components industry maintained steady momentum through 2025-26, buoyed by domestic demand, aftermarket expansion and policy-led incentives. Looking ahead, navigating evolving technology architectures and reducing import dependence through accelerated localisation will remain critical strategic priorities for ensuring long-term global competitiveness.

(Sources: https://www.fortuneindia.com/business-news/indian-auto-component-industry-logs-68-growth-at-356-lakh-crore-in-h1-fy26-as-exports-hold-firm-despite-global-pressures/129463,

https://m.economictimes.com/industry/auto/auto-components/auto-components-industry-grows-6-8-per-cent-in-apr-sep-fy26-acma/articleshow/126522584.cms,

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2214039&reg=3&lang=1,

https://www.ibef.org/news/pli-scheme-achieves-major-milestones-with-rs-35-657-crore-us-4-3-billion-investment-and-rs-2-321-94-crore-us-280-million-incentives-disbursed,

https://www.pib.gov.in/PressReleasePage.aspx?PRID=2154408 and https://pmedrive.heavyindustries.gov.in/)

COMPANY OVERVIEW

The first plant Talbros Automotive Components Limited established was in Faridabad in 1956. It made gaskets. Nearly seven decades later, the Company still makes gaskets from that same city and holds approximately 50% of India's cylinder head gasket market. What began as a single-product sealing operation has grown into one of India's most distinguished forces in automotive component manufacturing, recognised across global OEM circles for engineering innovation and manufacturing excellence that has only deepened with time.

Today, Talbros is a diversified, multi-location enterprise manufacturing gaskets and heat shields, forgings, suspension systems, anti-vibration components, and hoses across two-wheelers, passenger vehicles, commercial vehicles, off-highway equipment, and agricultural machinery. Over 30 leading manufacturers rely on Talbros as a manufacturing partner, among them Maruti, Hyundai, Kia, BMW, Volvo, Ashok Leyland, Hero, and Bajaj. The relationships span vehicle segments, geographies, and decades. They were earned through on-time delivery, zero-defect supply, and the ability to solve problems on short notice. When an automotive manufacturer qualifies a gasket supplier and receives consistent, reliable supply across years, that relationship becomes structural. Seven decades of building this kind of trust across product categories is what Talbros carries into every new partnership it enters.

STRATEGIC ALLIANCES & JOINT VENTURES

Talbros recognised early that depth in manufacturing alone would not be sufficient for global competitiveness. The Company built its international position through strategic joint ventures structured for mutual technology transfer, manufacturing scale, and long-term market access.

Marelli Talbros Chassis Systems Private Limited

50:50 Joint Venture • Marelli Suspension Systems Italy (SpA), Italy

Marelli Suspension Systems is one of Europe's primary chassis component suppliers to premium automotive OEMs. The venture manufactures suspension control arms and chassis assemblies where engineering precision and manufacturing reliability carry equal weight. Talbros contributes manufacturing capability and established OEM relationships across India. Marelli contributes global suspension engineering and specification access from the world's most demanding vehicle programmes. Both partners invest equally. Both benefit proportionally. Customers receive products meeting global standards at India-competitive costs.

Talbros Marugo Rubber Private Limited

50:50 less one share Joint Venture • Marugo Rubber Industries Limited, Japan

Marugo holds proprietary techniques for metal-to-rubber bonding and elastomer formulation, developed through decades of precision manufacturing in Japan. Talbros holds customer relationships and manufacturing scale across India. The venture produces high-performance anti-vibration

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

components and hoses serving OEM customers globally. The partnership compresses product development timelines, protects proprietary technology for both parties, opens India's high-growth vehicle market to Marugo, and gives Talbros access to formulation science it would have taken years to develop independently.

Lohum Talbros CarbonTech Private Limited

49:51 Joint Venture • Lohum Cleantech Private Limited

Through this venture, Talbros enters the circular economy materials market. Lohum Cleantech has developed proprietary processes for producing Recovered Carbon Black (rCB) and devulcanised rubber from used tyres and industrial scrap. OEM sustainability mandates are now contractual requirements written into procurement specifications. Talbros brings manufacturing discipline and existing OEM relationships where demand for these materials is already being formalised. The venture is slated to commence operations in current financial year.

Exclusive Technology: SANWA Lightweight Aluminium Heat Shields

Talbros secured exclusive manufacturing and distribution rights for SANWA's lightweight aluminium heat shields, engineered for hybrid powertrains and battery-electric vehicle platforms with tight thermal constraints. Once an OEM qualifies and contracts a heat shield supplier, revenue streams run for entire vehicle platform lifecycles, typically seven to ten years per generation. The exclusivity creates a durable, long-cycle revenue stream aligned directly with the industry's shift to next-generation powertrains.

ORDER BOOK & CAPACITY EXPANSION

The ₹1,000 Crore Pipeline

In 2025-26, Talbros secured new multi-year orders valued at **₹1,000 Crores**, scheduled for execution through 2030-31. These are signed orders with delivery schedules and contractual commitments.

Order Category	Value	Geography	Strategic Context
Export Orders	₹700 Crores	Europe, North America	Captures OEM supply-chain realignment towards India-based manufacturing
EV Components	₹100 Crores	India & International	Early qualification with OEMs launching EV platforms in 2026–2028
Domestic Core	₹200 Crores	India	Foundational customer-base continuity

Why These Orders Exist

The export orders arise from a structural shift in global supply chains. Multinational OEMs are reducing geographic concentration in component sourcing due to geopolitical risk, cost volatility, and lead-time unpredictability. India offers cost-competitive manufacturing, political stability, a skilled engineering workforce, and established OEM infrastructure. Talbros' Faridabad location and multi-plant footprint offer immediate production capacity without greenfield investment risk to customers.

The EV orders reflect early qualification strategy. Talbros is securing slots with OEMs launching battery-electric platforms in 2026-2028, adapting existing capabilities in heat shields, suspension, and anti-vibration to new powertrain requirements.

Capacity Expansion Response

Current manufacturing operates at 80-85% utilisation. Meeting the ₹1,000 Crores pipeline requires targeted capacity addition. Talbros is deploying ₹ 103 Crores in capital expenditure during 2026-27:

- Specific manufacturing lines for export-specification products
- Advanced equipment for heat-shield production
- Dedicated capacity for anti-vibration components

This capital must be operational and revenue-generating by 2027-28 when export orders commence delivery. The Company has maintained uninterrupted dividend payouts for over five decades through multiple automotive cycles, and the same financial discipline governs this deployment.

WHAT WE MAKE AND WHAT IT EARNS

Product Portfolio and Revenue Contribution During 2025-26

Product Segment	Company/Entity	Revenue Contribution (₹ in Lacs)
Gaskets and Heat Shields	Talbros Automotive Components Limited (Standalone)	57,514.32
Forgings	Talbros Automotive Components Limited (Standalone)	29,489.84
Chassis Components	Marelli Talbros Chassis Systems Private Limited - a JV Company	34,261.60
Anti-Vibration Products and Hoses	Talbros Marugo Rubber Private Limited - a JV Company	14,673.09

SWOT ANALYSIS

Strengths

- **Legacy of Excellence and OEM Partnerships:** Over six decades of domain expertise positions Talbros as a trusted partner to over 30 leading OEMs across the passenger vehicle, commercial vehicle, off-highway, and agricultural segments, driving sustained market leadership and high customer retention.
- **Strategic Global Collaborations:** Highly synergistic joint ventures (MTCS and TMR) and international technology tie-ups, including the recent SANWA agreement, empower the Company to deliver globally benchmarked, technologically advanced products while rapidly scaling domestic market share.
- **Diversified Export Footprint:** A robust and expanding export portfolio, prominently anchored in mature markets like the UK and Europe (accounting for ~80% of exports), significantly reduces domestic cyclicality and bolsters the Company's global revenue profile.
- **State-of-the-Art Manufacturing and Quality:** Multi-location, leading-edge facilities coupled with stringent global quality certifications ensure operational resilience, delivery excellence, and consistent repeat business from Tier-1 global customers.

Weaknesses

- **Evolving EV Product Penetration:** Talbros has historically held a modest share in EV-specific components. The Company is actively closing this gap, with ₹100 Crores in EV-specific orders secured and advanced heat shields already adapted for hybrid and electric architectures.

Opportunities

- **Global Sourcing Shifts and Export Expansion:** As multinational OEMs accelerate supply-chain realignments to reduce dependence on single geographies, Talbros is well-positioned to capture market share. The recent acquisition of ₹ 700 Crores in multi-year export orders validates the Company's capability to capitalise on this structural European and global sourcing shift.
- **Non-Automotive and ESG Diversification:** Strategic expansion into non-automotive domains opens highly scalable revenue streams. The 49:51 joint venture with Lohum Cleantech to produce Recovered Carbon Black (rCB) and devulcanised rubber marks a technology-led entry into the sustainable circular economy, insulating the Company from traditional auto-sector cyclicality.
- **Rising EV Sector Growth:** Surging global and domestic demand for electric and plug-in hybrid vehicles offers immense growth potential across emerging product lines, including localised battery enclosures, specialised chassis components, and advanced anti-vibration solutions.
- **Strategic Policy Tailwinds:** Favourable government initiatives, including the PLI scheme and the PM E-DRIVE framework, offer direct financial support and structural incentives for aggressive capacity expansion, R&D investments, and advanced component localisation.

Threats

- Raw Material Price Volatility: Fluctuations in core commodity prices, such as steel and rubber, can introduce near-term margin pressures. The Company mitigates this risk not through financial hedging but through disciplined, structured price pass-through mechanisms negotiated directly with its OEM partners.
- Macroeconomic and Geopolitical Risks: Persistent global headwinds, including maritime logistics disruptions, regional recessions, and fluctuating European auto demand, can temporarily impact export volumes. However, the Company's thoroughly diversified product portfolio and broad geographic footprint act as a structural cushion against localised volatilities.

MANAGEMENT DISCUSSION & ANALYSIS (Contd.)

FINANCIAL PERFORMANCE

Key Financial Ratios and Significant Changes

The table below sets out the Company's key financial ratios for 2025-26 against the prior year, together with the year-on-year change. In line with disclosure requirements, movements of 25% or more are highlighted and explained.

Particulars	2025-26 (%)	2024-25 (%)	Change (%)
Inventory Turnover Ratio (times)	3.37	3.41	(1.07%)
Debtors' Turnover Ratio (times)	3.30	3.63	(9.13%)
Current Ratio	1.96	1.72	14.17%
Interest Coverage Ratio	6.30	7.26	(13.24%)
Debt-Equity Ratio	0.11	0.14	(21.78%)
Net Profit Margin — incl. exceptional items	9.64	9.42	2.34%
Net Profit Margin — excl. exceptional items	9.64	9.42	2.34%
Return on Net Worth — incl. exceptional items	13.21	14.15	(6.66%)
Return on Net Worth — excl. exceptional items	13.21	14.15	(6.66%)
Operating Profit Margin	17.59	17.55	0.23

Figures in the final column denote the percentage change versus FY 2024-25; brackets denote a decline.

Figure 7 — Year-on-year movement in key financial ratios versus FY 2024-25 (%).

The most significant movement was strengthening of Debt-Equity Ratio to **0.11** (from 0.14), a **21.78%** reduction that underscores the Company's conservative capital structure ahead of its planned capacity expansion. The Current Ratio improved by **14.17%** to **1.96**, indicating healthy short-term liquidity.

Profitability remained resilient, with the Net Profit Margin edging up to **9.64%**. The Operating Profit margin registered a slight increase to **17.59%** (from the previous year of 17.55%) reflecting the operational efficiency.

HUMAN RESOURCES

The quality of everything Talbros manufactures traces back, in part, to the people making it. Dedication, agility, and technical expertise across the workforce have been consistent drivers of the Company's financial performance and long-term growth. Talbros invests in these qualities deliberately, through customised career progression plans and a partnership-driven human resources approach that moves well beyond conventional employment arrangements, built to foster deeper engagement, operational agility, and long-term institutional loyalty.

Beyond Employment

Holistic employee well-being and work-life balance are genuine priorities at Talbros, recognised for their direct influence on motivation and manufacturing productivity. The Company has built an environment where people find real career fulfilment, and retention flows naturally from that investment rather than from obligation.

Sharper Skills, Broader Horizons

Keeping a workforce aligned with one of the world's fastest-evolving industries requires continuous, structured investment in learning. Talbros offers a comprehensive suite of internal and external training programmes strategically designed to sharpen leadership capabilities and advance technical skills across critical functions, including manufacturing, quality control, sales, marketing, and IT. The Company consistently encourages employees to pursue external learning opportunities, continuously broadening their knowledge base to align with global manufacturing benchmarks.

Loyalty Built on More Than Tenure

Talbros remains firmly committed to retaining top-tier talent through highly competitive compensation packages, attractive benefits, and well-defined career advancement trajectories. The Company cultivates a positive, inclusive workplace culture where employees are valued and consistently recognised for their contribution. This approach strengthens workforce loyalty, reduces cyclical turnover, and ensures seamless continuity in the execution of the Company's expanding order book.

CAUTIONARY STATEMENT

The statements in the Management Discussion and Analysis section describing organisational objectives, projections, estimates and predictions may be considered as forward-looking statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, product development, market positioning, expenditures, and financial results, are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company's actual results, performance or achievement may thus differ materially from those projected in such forward-looking statements. The Company assumes no responsibility to publicly amend, modify, or revise any forward-looking statement on the basis of any subsequent developments, information, or events. To avoid duplication and repetition, certain heads of information required to be disclosed in the Management Discussion and Analysis have been included in the Board's Report.

ANNEXURE - II

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

All transactions are entered on Arm's length basis and hence no details to be given here.

2. Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / Audit Committee, if any:	Amount paid as advances, if any:
QH Talbros Private Limited (Associate Company)	Agreement for Sale & Purchase of products i.e. Forgings and other auto parts	April 01, 2025 to March 31, 2028	Maximum amount of sale upto ₹95.00 crores in one financial year.	May 22, 2024	Nil
QH Talbros Private Limite (Associate Company)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2023 to March 31, 2032	1% of sales in replacement market (Net of taxes) during the period of contract. Amount not exceeding ₹1.50 Crores in one financial year.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Management Fee Agreement	February 13, 2023 to February 12, 2028	₹30.00 Lacs p.a.	February 08, 2023	Nil
Talbros Marugo Rubber Private Limited (JV Company)	Purchase and/ or Sale Agreement of Rubber, Rubber Compound, other chemicals and to do job work for each other	April 01, 2025 to March 31, 2028	Maximum amount of sale/purchase upto ₹4.00 Crores in one financial year.	February 11, 2025	Nil
Marelli Talbros Chassis Systems Private Limited (JV Company)	Lease Deed for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	March 14, 2022 to March 13, 2027	₹2.50 Crores per annum	February 09, 2022	Nil
Mrs. Kumkum Talwar (Relative of key managerial personnel)	Lease Deed for the basement premises situated at D-1/36, Vasant Vihar, New Delhi-110057	October 01, 2025 to September 30, 2028	₹7.20 Lacs per annum	February 11, 2025	Nil
Talbros Indiparts Private Limited (Related party)	Rent Agreement for the premises of the Company situated at 14/1, Delhi Mathura Road, Faridabad-121003, Haryana	April 01, 2024 to March 31, 2027	₹20.00 Lacs per annum	February 07, 2024	Nil

ANNEXURE - II (Contd.)

Name(s) of the related party & nature of relationship	Nature of contracts/ Arrangement/ transactions	Duration of the contracts/ agreements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board / Audit Committee, if any:	Amount paid as advances, if any:
Talbros Indiparts Private Limited (Related party)	Agreement for sale of Company's products in aftermarket	April 01, 2024 to March 31, 2027	₹60 Crores in one financial year	February 07, 2024	Nil
Talbros Indiparts Private Limited (Related party)	Receipt of Royalty fee in lieu of permission to use Trademark of the Company	April 01, 2024 to March 31, 2027	₹40.00 Lacs per annum	February 07, 2024	Nil

For and on behalf of the Board
Talbros Automotive Components Limited

Sd/-
Umesh Talwar
Chairman
(DIN: 00059271)

Sd/-
Anuj Talwar
Managing Director
(DIN: 00628063)

Place: Gurugram
Date: May 20, 2026

ANNEXURE - III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

1. **A brief outline of the Company's CSR policy**

   Talbros believes that meaningful engagement in addressing social issues requires a long-term dedication, as sustainable and consistent efforts are essential to bring about lasting positive change. Through its CSR Policy, the Company aims to promote social welfare by undertaking Corporate Social Responsibility (CSR) initiatives through implementation agencies within the framework prescribed under the Companies Act, 2013.

   The Company undertakes CSR initiatives through Trusts, Societies, NGOs, and other eligible implementing agencies engaged in activities covered under Schedule VII of the Companies Act, 2013 by supporting programmes and projects that contribute to social welfare including education and health of children.

2. **Composition of the CSR Committee:**

Sl. No.	Name of Member	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of CSR Committee meetings attended during the year
1.	Mr. Umesh Talwar	Chairman	2	2
2.	Mr. Navin Juneja	Member	2	2
3.	Mr. Ajay Kumar Vij	Member	2	2

3. **The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:** The brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken are placed on the Company's website https://investors.talbros.com/

4. **Executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable -** Not Applicable

5. (a) **Average net profit of the Company as per Section 135(5):** ₹ 8043.77 Lacs

   (b) **Two percent of average net profit of the Company as per section 135(5):** ₹ 160.88 Lacs

   (c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL

   (d) **Amount required to be set off for the financial year, if any:** NIL

   (e) **Total CSR obligation for the financial year (5b+5c-5d):** ₹ 160.88 Lacs

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project -** ₹ 160.88 Lacs

   (b) **Amount spent in Administrative Overheads -** NIL

   (c) **Amount spent on Impact Assessment, if applicable -** NA

   (d) **Total amount spent for the Financial Year (6a+6b+6c) -** ₹ 160.88 Lacs

   (e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (₹ In Lacs)	Amount Unspent (₹ In Lacs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
160.88	NIL	NA	NA	NIL	NA

(f) **Details of the excess amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any -** NIL

Sl. No.	Particular	Amount (in ₹ Lacs)
(i)	Two percent of average net profit of the Company as per section 135 (5)	160.88
(ii)	Total amount spent for the Financial Year	160.88
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

7. Details of unspent CSR amount for preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Balance amount in Unspent CSR Account under section 135 (6) (in ₹ Lacs)	Amount spent in the reporting Financial Year (in ₹ Lacs)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any		Amount remaining to be spent in succeeding financial years (In ₹ Lacs)	Deficiency, if any
					Amount (in ₹ Lacs)	Date of transfer		
1	2022-23	--	--	--	NIL	NA	NIL	--
2	2023-24	--	--	--	NIL	NA	NIL	--
3	2024-25	--	--	--	NIL	NA	NIL	--
	Total	**--**	**--**	**--**	**NIL**	**NA**	**NIL**	**--**

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year –

☐ **Yes**

✓ **No**

9. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5):
Not Applicable, since entire obligation has been spent.

For and on behalf of the Board
Talbros Automotive Components Limited

	Sd/-	**Sd/-**
	Umesh Talwar	**Anuj Talwar**
Place: Gurugram	Chairman	Managing Director
Date: May 20, 2026	(DIN: 00059271)	(DIN: 00628063)

ANNEXURE - IV

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended March 31, 2026

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Talbros Automotive Components Limited
14/1, Delhi Mathura Road, P.O. Amar Nagar,
Faridabad, Haryana-121003

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Talbros Automotive Components Limited** having **CIN: L29199HR1956PLC033107** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2026** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Talbros Automotive Components Limited** for the financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018*;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021*;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021*;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding compliance of the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;* and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;*

**Not applicable because the Company did not carry out the activities covered by the regulations/ guidelines during the audit period.*

(vi) Other laws and guidelines applicable to the Company namely:-

a) Factories Act, 1948

b) The Industrial Employment (Standing Order) Act, 1946

c) The Industries (Development and Regulation) Act, 1951

d) The Contract Labour (Regulation and Abolition) Act, 1970,

e) The Child Labour (Prohibition and Regulation) Act, 1986

f) The Workmen's Compensation Act, 1923

g) The Environment (Protection) Act, 1986

h) The Legal Metrology Act, 2009

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and SEBI Listing Regulations.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent in accordance with applicable statutory provisions and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board and Committee Meetings are carried out with majority in favour and there were no instances of any member dissenting to the same, as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there were no instances of:

a) Public/ Right/ Preferential Issue of shares/ debentures/ sweat equity, etc.

b) Redemption/ buyback of securities

c) Major decisions taken by the members in pursuance to Section 180 of the Companies Act, 2013.

d) Merger/ amalgamation/ reconstruction etc.

e) Foreign technical collaborations

I also report that during the year, Mr. Rajat Verma (DIN: 02548070), has resigned as Non-Executive Independent Director on the Board on March 13, 2026.

For Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
(Proprietor)
M. No. : 4942
CP No. : 3116

Place: New Delhi
Date: May 20, 2026

UDIN:F004942H000384838
P.R. NO.: 7910/2026

ANNEXURE A TO THE SECRETARIAL AUDIT REPORT DATED MAY 20, 2026

To,
The Members,
Talbros Automotive Components Limited
14/1, Delhi Mathura Road, P.O. Amar Nagar,
Faridabad, Haryana-121003

The Secretarial Audit Report dated May 20, 2026 is to be read with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random text basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, secretarial records and other factual position which cannot be otherwise verified etc. wherever required or necessary.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
(Proprietor)
M. No. : 4942
CP No. : 3116
UDIN:F004942H000384838
P.R. NO.: 7910/2026

Place: New Delhi
Date: May 20, 2026

talbros

ANNEXURE - V

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/joint ventures

Part "A": Subsidiaries - Not Applicable to the company as there is no subsidiary.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ In Lacs)

Sl. No.	Name of Associate/Joint Ventures	Joint Ventures		Associates*		
		Marelli Talbros Chassis Systems Pvt. Ltd.	**Talbros Marugo Rubber Pvt. Ltd.**	**QH Talbros Private Ltd.**	**Talbros International Pvt. Ltd.**	**Talbros Indiparts Pvt. Ltd.**
1	**Latest Audited Balance Sheet date**	March 31, 2026	March 31, 2026	March 31, 2025	March 31, 2025	March 31, 2025
2	**Details of Associates / Joint Ventures where shares held by the Company**					
	Total shares issued by the Associates/ Joint Venture	2,35,60,000	1,90,00,002	30,50,000	65,52,111	10,00,000
	Number of shares held by the Company	1,17,80,000	95,00,000	1,77,962	13,26,970	9,95,000
	Amount of Investment in Associates/ Joint Ventures (in INR Lacs)	1,178.00	950.00	190.99	13,393.24	99.50
	Extend of holding % in the Associates/ Joint Venture	50%	50% less one share	5.83%	20.25%	99.5%
3	**Description of how there is significant influence**	Joint Venture		No Significant influence	No Significant influence	Associate
4	**Reason why the associate/ joint venture is not consolidated**	Consolidated		Shareholding is less than the threshold limit for Consolidation	Shareholding is less than the threshold limit for Consolidation	Not required under the applicable Ind-AS
5	**Net worth attributable to Shareholding as per latest audited Balance Sheet (in ₹ Lacs)**	6,731.75	1,701.175	1,659.88	1,053.43	501
6	**Profit/ Loss for the year After Tax before other comprehensive income (in INR Lacs)**	3512.90	824.08	5212.99	1654.46	194.48

ANNEXURE - V (Contd.)

(₹ In Lacs)

Sl. No.	Name of Associate/Joint Ventures	Joint Ventures		Associates*		
		Marelli Talbros Chassis Systems Pvt. Ltd.	**Talbros Marugo Rubber Pvt. Ltd.**	**QH Talbros Private Ltd.**	**Talbros International Pvt. Ltd.**	**Talbros Indiparts Pvt. Ltd.**
i.	Considered in consolidation (in INR Lacs)	1756.45	412.04	-	-	-
ii.	Not considered in consolidation (in INR Lacs)	1756.45	412.04	-	-	-

*Associates have not been consolidated due to non-requirement under the applicable Ind-AS.

For and on behalf of the Board
Talbros Automotive Components Limited

Sd/-
Umesh Talwar
Chairman
(DIN: 00059271)

Sd/-
Anuj Talwar
Managing Director
(DIN: 00628063)

Place: Gurugram
Date: May 20, 2026

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3) (m) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

A) Conservation of energy

i) The steps taken or impact on conservation of energy & utilising alternate sources of energy

- Before installation of Auto Moisture Drain trap, for moisture drain, drain valve was opened to release moisture from receiver tank.

  For Drain Trap (48 cfm):

  Loss of kWH/Day due to Drain Loss 9 KWH/day

  Loss of kWH/Yr due to Drain Loss 3,110 KWH/yr

  Loss of Rs/Yr due to Drain Loss ₹ 27,994 / Yr

  Auto Moisture Drain trap assembly now being used for releasing moisture without losing the compressed air. After installation of Auto Moisture Drain trap at 2 points

  Power saving = 17 KWH for a day

  Power saving for a year = 6,221 KWH / Yr

  Saving in price for a year = 6,221 x ₹ 9 = ₹. 55,987 for a year

  Total saving for a year = ₹ 55,987 / Year

- To improve and sustain the power factor by 0.99, SVG installed

  By the installation of SVG, power factor improves from 0.97 to 0.99

  This impacts the power saving in electricity bill KVAH unit consumption

  Thus after installation of SVG,

  Saving in price = ₹ 25489 for a month

  Total saving for a year = ₹ 25489 x 12 = ₹ 3,05,868 p.a.

  ₹ 3,05,868 / Year

B) Technology absorption

i) The efforts made towards technology absorption

- TAA with Sanwa Packing Industry of Japan renewed recently for design and development of Light Weight Nimbus Heat Shield with NVH feature for Maruti Suzuki, Hyundai and KIA to meet heat management requirement of new generation engines.

  Nimbus heat shields are already in supply for Maruti Suzuki, Hyundai, KIA for their existing engines and New Businesses have been secured for Upcoming models of above OEMs.

- Designed and Developed Gaskets, Shrouds and Vent Heat Shield for Electric Vehicle application.

- Developing high performance Laser Welded Sealing Technology and New Gasket Materials to meet the requirement of new generation BS VI and BS VII engines.

- Developed cyl. Head gasket samples for Hydrogen IC engine. These are under validation stage at customer end.

- Localisation of High Performance Rubber Compounds for Sealing Application.

- Developed Leakage testing machine for optimising gasket design, material selection.

ANNEXURE - VI (Contd.)

ii) The benefits derived like product improvement, cost reduction, product development or import substitution

- Indigenised new Sealing products for new platform engines (BS-VI / BS-VII emission complaints).
- Improvement in Heat Management , Light Weighting, NVH by introduction of Nimbus Heat Shields for PV OEMs.
- Reduction in cost of Multi-Layer Steel gaskets through Post Coating.
- Reduction in cost through Localisation of Rubber Compounds for sealing application.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

(i) The details of technology imported - Technology for Manufacture of Heat-Shield

(ii) The year of import - 2011

(iii) Whether the technology been fully absorbed - As our Heat Shield project has been set up, the technology absorption is happening.

(iv) If not fully absorbed areas where absorption is taking place and the reasons thereof, and the expenditure incurred on Research and Development - NA

(C) Foreign exchange earnings and Outgo:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

PARTICULARS	2025-26 (₹ in Lacs)	2024-25 (₹ in Lacs)
Foreign Exchange Earnings	24,843.85	25,022.78
Foreign Exchange Outgo (Imports)	12,234.63	9,447.69

For and on behalf of the Board
Talbros Automotive Components Limited

	Sd/-	Sd/-
	Umesh Talwar	**Anuj Talwar**
Place: Gurugram	Chairman	Managing Director
Date: May 20, 2026	(DIN: 00059271)	(DIN: 00628063)

ANNEXURE - VII

DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	- Ratio of the remuneration of Mr. Umesh Talwar to the median remuneration of the employees - 33:1 - Ratio of the remuneration of Mr. Anuj Talwar to the median remuneration of the employees - 33:1
(ii)	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	Mr. Umesh Talwar, Executive Director - Nil Mr. Anuj Talwar, Executive Director- Nil Mr. Manish Khanna, CFO- 8.0% Mrs. Seema Narang, Company Secretary- 8.0%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	2.53%
(iv)	Number of permanent employees on the rolls of company as on March 31, 2026	618
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year was 7 %. There was no increase in the managerial remuneration during the year.
(vi)	Affirmation that the remuneration is as per the Remuneration Policy of the Company	The remuneration paid to employees is as per the Nomination and Remuneration policy of the company.

For and on behalf of the Board
Talbros Automotive Components Limited

Sd/-
Umesh Talwar
Chairman
(DIN: 00059271)

Sd/-
Anuj Talwar
Managing Director
(DIN: 00628063)

Place: Gurugram
Date: May 20, 2026

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate Governance is an ethically-driven business process that is committed to values aimed at enhancing an organisation's capacity to create wealth. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations based on transparency, accountability and focus on sustainable long term growth of the Company.

At Talbros, the Company's affairs are managed in a fair and transparent manner and it is ensured that we gain and retain the trust of our stakeholders at all times.

The Management and Employees of the Company are committed to value transparency, integrity, honesty and accountability which are fundamental core values of Corporate Governance.

The Company is in compliance with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") with respect to corporate governance and a report on Corporate Governance in accordance with Part C of Schedule V to the SEBI Listing Regulations is outlined below:

BOARD OF DIRECTORS

The Board of Directors have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. Your Company is managed and guided by a professional Board comprising of Executive, Non-Executive and Independent Directors. The Board evaluates Company's performance, strategic direction, management policies and their effectiveness.

Composition of the Board

As on March 31, 2026, the Board of Directors comprised of Eleven (11) Directors – Two (2) Executive Directors and Nine (9) Non-Executive Directors out of which Five (5) Directors are Independent Directors including one Woman Director.

During the year, Mr. Rajat Verma (DIN: 02548070), Independent Director of the Company, resigned due to his other professional commitments and ceased to be a Director of the Company with effect from March 13, 2026. He confirmed that there are no material reasons other than those stated in his resignation letter.

Mr. Pratham Mittal (DIN: 08338216) has been appointed as an Additional Director (Independent) of the Company with effect from May 20, 2026, subject to approval of the Shareholders.

As on date, there are six (6) Independent Directors on the Board of the Company.

The Board of Directors ensures that the composition of the Board is maintained in conformity with the requirements prescribed under Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013 ("the Act") and appointment of Directors, if required, is made within the stipulated period as prescribed under Listing Regulations.

As on March 31, 2026, the Chairman of the Board was a Non-Executive Promoter Director.

The Directors hold qualifications and possess requisite experience/ skills/ expertise and competencies in General Corporate Management, Finance, Legal, Banking, Economics and other allied fields as identified by the Board in context of Company's business to function effectively. These skills enable Directors to contribute effectively in making decisions for the Company and these skills for each Director are mentioned in a separate matrix later in this report. Detailed profile of each of the Directors is available on the Company's website viz. www.talbros.com.

The necessary disclosures regarding other directorships and committee positions have been made by the Directors confirming that none of the Directors on the Board is a member of more than Ten (10) Committees and Chairman of more than Five (5) Committees across all the companies in which he is a Director (as specified in Regulation 26 of Listing Regulations).

There was no other change in the composition of the Board during the year 2025-26.

Subsequent to March 31, 2026:

- Mr. Naresh Talwar (DIN: 00059155) continues as Non-Executive Director of the Company with effect from April 1, 2026.
- Mr. Umesh Talwar (DIN: 00059271) has been appointed as Executive Chairman of the Company for a period of 3 years with effect from April 1, 2026.
- Mr. Anuj Talwar (DIN: 00628063) has been appointed as Managing Director of the Company for a period of 3 years with effect from April 1, 2026.

- Mr. Varun Talwar (DIN: 00263984) has been appointed as Vice Chairman and Managing Director of the Company for a period of 3 years with effect from April 1, 2026.
- Mr. Ashish Gupta has been appointed as Chief Executive Officer of the Company with effect from April 1, 2026.
- Mr. Pratham Mittal (DIN: 08338216) has been appointed as an Additional Director (Independent) of the Company with effect from May 20, 2026.

Independent Directors

The Independent Directors bring an unbiased independent judgement to Board's deliberations and a range of diverse knowledge, experience and expertise in the decision making by the Board. They play a pivotal role in safeguarding the interest of all stakeholders. Their independent judgement and evaluation of strategies, risk management and overall governance is essential and valuable for Company's performance.

The Independent Directors have submitted declarations that they meet the criteria of independence laid down under the Companies Act, 2013 and the Rules made thereunder and Regulation 16 (1)(b) of the Listing Regulations.

Further, as per Regulation 17(A)(1) of Listing Regulations, no Independent Director is a director in more than seven listed companies and as per Regulation 17(A)(2) of Listing Regulations, no Director who is a Whole time Director / Managing Director in any listed Company serves as an Independent director in not more than three listed entities. Further neither any Director is a member in more than 10 committees nor acts as a Chairperson of more than 5 committees in terms of Regulation 26(1) of Listing Regulations.

Familiarisation Programme

In accordance with provisions of Regulation 25 of Listing Regulations, the Board has adopted a Familiarisation Program for Independent Directors to familiarise the Independent Directors of the Company with the organisation.

The Company periodically provides business overview to its Directors by way of detailed presentations. Such meetings include briefings on the business of the Company, the roles and responsibilities of Directors. Besides these, the Directors are regularly updated about Company's new projects, industry scenario, changes in regulatory environment including those pertaining to statutes/ legislations and on matters affecting the Company, to enable them to take well informed and timely decisions.

Any Director who joins the Board is familiarised with a relevant background of the Company, its operations and important Codes and Policies of the Company. Interactive sessions with senior leadership team and functional heads in Board Meetings also enables better understanding of business strategy, operational performance, product offerings and market initiatives etc.

The web link for accessing the familiarisation programmes of Independent Directors is https://investors.talbros.com/details-of-familiarisation-programmes-imparted-to-independent-directors

Disclosure of relationship between Directors inter-se as on March 31, 2026:

- Mr. Naresh Talwar and Mr. Umesh Talwar are brothers.
- Mr. Varun Talwar and Mr. Vidur Talwar are sons of Mr. Naresh Talwar.
- Mr. Anuj Talwar is son of Mr. Umesh Talwar.

Number of shares held by Directors as on March 31, 2026

The details of shares held by Executive Directors are as under:

Sr. No.	Name of Director	No. of Shares held
1	Mr. Umesh Talwar	9,37,550
2	Mr. Anuj Talwar	18,75,090

The details of shares held by Non- Executive Directors are as under:

Sr. No.	Name of Director	No. of Shares held
1	Mr. Naresh Talwar	14,06,320
2	Mr. Vidur Talwar	14,06,320
3	Mr. Varun Talwar	14,06,320
4	Mr. Navin Juneja	9,940

Meetings and Attendance

During the year ended March 31, 2026 four (4) meetings of the Board of Directors were held on the following dates:

(i) May 26, 2025 (ii) August 7, 2025 (iii) November 13, 2025 (iv) February 11, 2026

The 68th Annual General Meeting (AGM) was held on September 25, 2025.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Attendance Record of Directors at Board Meetings & 68th AGM

During the Financial Year 2025-26, the Board met Four (4) times. The Attendance Record of Directors in the Board Meetings and at the AGM are given as under:

Sr. No.	Name of the Directors	Category	No. of Board Meetings Attended	Whether Attended the Last AGM
1.	Mr. Naresh Talwar	Promoter, Non-Executive	2	Yes
2.	Mr. Umesh Talwar	Promoter, Executive	4	Yes
3.	Mr. Anuj Talwar	Executive Non-Independent	4	Yes
4.	Mr. Varun Talwar	Non-Executive Non-Independent	4	Yes
5.	Mr. Vidur Talwar	Non-Executive Non-Independent	4	Yes
6.	Mr. Navin Juneja	Non-Executive Non-Independent	4	Yes
7.	Mr. Deepak Jain	Non-Executive & Independent	2	No
8.	Ms. Priyanka Gulati	Non-Executive & Independent	4	Yes
9.	Mr. Ajay Kumar Vij	Non-Executive & Independent	4	Yes
10.	Mr. Tarun Singhal	Non-Executive & Independent	4	No
11.	Mr. Rajat Verma*	Non-Executive & Independent	4	No
12.	Mr. Rakesh Vohra	Non-Executive & Independent	4	No

* Ceased to be Director of the Company w.e.f. March 13, 2026.

Meeting of Independent Directors

In accordance with Section 149 (7) of the Act read with Para VII (1) of Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Director was held on February 27, 2026 to discuss the performance of Non Independent Directors and the Board as a whole, performance evaluation of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and the evaluation of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Meeting of Non-Independent Directors

In compliance with Regulation 17(10) of SEBI (LODR) Regulations, 2015, a meeting of Non-Independent Directors was held on March 16, 2026, wherein the performance of the Independent Directors was evaluated and found to be satisfactory and it was confirmed that they meet the criteria of independence as per the legal requirements.

Details of other Directorships/ Chairmanship and Membership of Committees of each Director:

Sr. No.	Name of the Directors and DIN	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2026			Directorships in Other Listed Companies	
		Other Directorship(s)*	Committee Membership(s)**	Committee Chairmanship**	Name of the Company	Category
1.	Mr. Naresh Talwar DIN: 00059155	-	-	-	-	-
2.	Mr. Umesh Talwar DIN: 00059271	-	-	-	-	-
3.	Mr. Varun Talwar DIN: 00263984	-	-	-	-	-

Sr. No.	Name of the Directors and DIN	Number of Directorships and Committee Memberships/ Chairmanships as on March 31, 2026			Directorships in Other Listed Companies	
		Other Directorship(s)*	Committee Membership(s)**	Committee Chairmanship**	Name of the Company	Category
4.	Mr. Anuj Talwar DIN: 00628063	-	-	-	-	-
5.	Mr. Vidur Talwar DIN: 00114643	-	-	-	-	-
6.	Mr. Navin Juneja DIN: 00094520	-	-	-	-	-
7.	Ms. Priyanka Gulati DIN: 07087707	2	2	1	Epack Durable Limited	Non-Executive Independent Director
					Premier Energies Limited	Non-Executive Independent Director
8.	Mr. Ajay Kumar Vij DIN: 00164984	-	-	-	-	-
9.	Mr. Deepak Jain DIN: 00004972	3	2	1	RSWM Limited	Non-Executive Independent Director
					Lumax Auto Technologies Limited	Non-Executive Director
					Lumax Industries Ltd.	Promoter, Executive Director
10.	Mr. Tarun Singhal DIN: 07056960	-	-	-	-	-
11.	Mr. Rajat Verma# DIN: 02548070	-	-	-	-	-
12.	Mr. Rakesh Vohra DIN: 00836463	-	-	-	-	-

*Other Directorships exclude Directorship in Foreign Companies, Private Limited Companies and Companies under Section 8 of the Companies Act, 2013.

** The committees position covered above only includes Chairmanship/Membership of the Audit Committee and Stakeholder's Relationship Committee of Listed and unlisted public Companies.

#Ceased to be Director of the Company w.e.f. March 13, 2026.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Key Skills/Expertise/Competencies of Board of Directors

In accordance with Regulation 34 (3) read with Para C of Schedule V of the Listing Regulations, the Board have identified required set of skills, expertise and competencies in context of Company's business and sector in which it operates to function effectively and those actually available with the Board. Accordingly, the below table represents Key Skills/ Expertise/ Competencies considered desirable for the Board of the Company:

Knowledge of Automobile/Auto Component Sector (S-1)	Understanding of industry and organisations involved in design, development, manufacturing, marketing and sale trends of automobiles and market for auto components.
Corporate Laws and Governance (S-2)	Understanding of Corporate Laws, processes or rules by which businesses are operated, regulated or controlled.
Finance & Accounting (S-3)	Understanding of financial statements, transactions, financial reporting process and financial controls and management of assets and liabilities.
Human Resource Management (S-4)	Understanding of managing people and work culture of the organization.
Sales & Marketing (S-5)	Development of strategies to grow market share and experience of operations and activities in global front across various geographical markets and industry verticals.
Information Technology (S-6)	Ability to understand and appreciate the importance and robust use of Information technology in various aspects of business
Risk Management (S-7)	Ability to identify, evaluate and prioritise risks followed by coordinated and economical application of resources to minimise, monitor and control the probability or impact of uncertain events or to maximise the realisation of opportunities
Strategy Development and Implementation (S-8)	Appreciation of long-term trends, strategic choices and actions to reach long term goals, identification of approaches to put plans to action and monitoring of same
Stakeholder Relationships (S-9)	Experience in building and nurturing relationships with key stakeholders viz. shareholders, customers, employees, bankers, government/semi-government authorities and fulfillment of commitment towards them

Further, the Skill Matrix of the Director as on March 31, 2026 is enclosed herein:

Sr. No.	Name of the Directors and DIN	S-1	S-2	S-3	S-4	S-5	S-6	S-7	S-8	S-9
1.	Mr. Naresh Talwar DIN: 00059155	Y	Y	Y	Y	Y	N	Y	Y	Y
2.	Mr. Umesh Talwar DIN: 00059271	Y	Y	Y	Y	Y	N	Y	Y	Y
3.	Mr. Varun Talwar DIN: 00263984	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Mr. Anuj Talwar DIN: 00628063	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Mr. Vidur Talwar DIN: 00114643	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Mr. Navin Juneja DIN: 00094520	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Ms. Priyanka Gulati DIN: 07087707	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Mr. Ajay Kumar Vij DIN: 00164984	Y	Y	Y	Y	Y	N	Y	Y	Y

Sr. No.	Name of the Directors and DIN	S-1	S-2	S-3	S-4	S-5	S-6	S-7	S-8	S-9
9.	Mr. Deepak Jain DIN: 00004972	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Mr. Tarun Singhal DIN: 07056960	Y	Y	Y	Y	Y	N	Y	Y	Y
11.	Mr. Rajat Verma# DIN: 02548070	Y	Y	Y	Y	Y	Y	Y	Y	N
12.	Mr. Rakesh Vohra DIN: 00836463	Y	Y	Y	Y	Y	N	Y	Y	N

#Ceased to be Director of the Company w.e.f. March 13, 2026.

COMMITTEES OF THE BOARD

As on March 31, 2026, there were four (4) statutory committees as mandated under the provisions of Companies Act, 2013 and/or the Listing Regulations. Every Committee has an important role to play within its terms of reference.

(i) Audit Committee

Audit Committee has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and Regulation 18 of Listing Regulations (including any amendments and re-enactments thereof).

The functioning and terms of reference of the Audit Committee including the role, powers and duties, quorum for meeting and frequency of meetings, are in accordance with the provisions of the Companies Act, 2013 and Listing Regulations.

The role of Audit Committee, inter-alia, includes the following:

- Reviewing the Company's financial reporting process and its financial statement.
- Reviewing the financial and accounting policies and practices and compliance with applicable accounting standards.
- Reviewing reports furnished by Internal and Statutory Auditors.
- Recommending appointment/ re-appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence and performance and effectiveness of audit process.
- Reviewing with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.
- Reviewing with the management, quarterly results and annual financial statements before submission to the Board for approval.
- Effective supervision of the financial reporting process, ensuring financial, accounting and operating controls and compliance with established policies and procedures.
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter corporate loans, investments and deposits.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the Whistle blower mechanism.
- Discussion with Statutory Auditors and Those charged with Governance (TCWG) before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern and before the conclusion of Audit for the financial year and quarterly review discussions;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Composition and attendance

As on March 31, 2026, The Audit Committee comprises of four (4) members including three (3) Non-Executive Independent Directors. The Chairperson of the Committee is Non-Executive Independent Director.

All the members of the Audit Committee are financially literate. The Audit Committee satisfies the criteria of two-third of its members being Independent Directors. CEO, Chief Financial Officer, Internal Auditors and Representatives of Statutory Auditors are permanent invitees to the meetings of Audit Committee and Company Secretary acts as Secretary to the Committee. The Internal Auditors of the Company report the findings of internal audits directly to the Audit Committee.

During the year ended March 31, 2026, four meetings of the Audit Committee were held on the following dates:

(i) May 26, 2025 (ii) August 7, 2025 (iii) November 13, 2025 (iv) February 11, 2026

The attendance of Directors in Audit Committee meetings during the Financial Year 2025-26 is as under:

Name of the Directors	No. of Meetings Attended
Mrs. Priyanka Gulati, Chairperson	4
Mr. Navin Juneja, Member	4
Mr. Rakesh Vohra, Member	4
Mr. Ajay Kumar Vij, Member	4

(ii) Nomination & Remuneration Committee

Nomination & Remuneration Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of Listing Regulations (including any amendments and re-enactments thereof).

The terms of Reference of the Nomination & Remuneration Committee are in accordance with the requirements of the Companies Act, 2013 and Listing Regulations, which inter-alia, include:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel and other senior employees;
- Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a Policy on diversity of Board of Directors;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the performance evaluation of Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to Executive Directors/ Senior Management.
- Undertake any other matters as may be prescribed by Board from time to time

The policy of the Company is to remain competitive in the industry, to attract and retain good talent and appropriately reward the employees and Directors for their performance and contribution to the business.

Composition and Attendance

The Nomination & Remuneration Committee consists of three (3) Members all being Non-Executive Directors and two-thirds being Independent Director. The Chairman of the Committee is Non-Executive Independent Director.

During the year ended March 31, 2026, two (2) meeting of the Nomination & Remuneration Committee were held on May 01, 2025 and January 24, 2026

The composition and attendance in Nomination & Remuneration Committee meetings, during the 2025-26, is as under:

Name of Director	No. of meetings attended
Mr. Ajay Kumar Vij, Chairman	2
Mr. Navin Juneja, Member	2
Mr. Tarun Singhal, Member	2

Performance evaluation of Board including Independent Directors, Committees etc.

The Nomination and Remuneration Committee of the Board, has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI Listing Regulations.

The performance evaluation for the financial year was carried out in accordance with the criteria laid out by the Nomination and Remuneration Committee and approved by the Board. The performance evaluation was conducted for the Board, its Committees and Individual directors including Chairman of the Board.

The Independent Directors were evaluated on various performance indicators including aspects relating to:

- Ethical Standards of Integrity and probity.
- Exercise of objective independent judgment in the best interests of the Company.
- Effectively assisting the Company in implementing best Corporate Governance Practices.
- Willingness to devote time and effort to understand the Company and its business.
- Adherence to applicable code of conduct and fulfillment of Director's obligations.
- Independent judgment during Board deliberations on Strategy, performance etc.
- Maintaining high level of Confidentiality.

(iii) Stakeholder's Relationship Committee

Stakeholder's Relationship Committee has been constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of the Listing Regulations (including any amendments and re-enactments thereof).

The role of the Stakeholder's Relationship Committee, inter-alia, includes the following:

- Resolving the grievances of the shareholders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates/ letter of confirmation, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ Annual Reports/ statutory Notices by the shareholders of the Company.

Composition and Attendance

The Stakeholders' Relationship Committee comprises of 3 Non-Executive Directors. The Chairman of the Committee is a Non-Executive Non Independent Director.

During the year ended March 31, 2026, four (4) meetings of the Stakeholder's Relationship Committee were held on the following dates:

(i) May 26, 2025 (ii) August 7, 2025 (iii) November 13, 2025 (iv) February 11, 2026

The composition and attendance in Stakeholders' Relationship Committee meetings, during the 2025-26 is as under:

Name of Director	No. of Meetings Attended
Mr. Navin Juneja, Chairman	4
Mr. Anuj Talwar, Member	4
Mr. Tarun Singhal, Member	3

Status of queries/ complaints received and resolved during the year ended March 31, 2026.

Number of Shareholders' Queries/ Complaints received during the year	66
Number of Shareholders Complaints solved to the satisfaction of Shareholders	66
Number of Shareholders Complaints pending as on March 31, 2026	Nil

REPORT ON CORPORATE GOVERNANCE (Contd.)

Name and designation of Compliance Officer

Mrs. Seema Narang, Company Secretary of the Company is the Compliance Officer for complying with the requirements of Listing Regulations. The Company has provided an exclusive Email ID i.e. seema_narang@talbros.com for the members to send their queries/ grievances to the concerned department so that the queries/ complaints are addressed.

Online Dispute Resolution Mechanism (ODR)

SEBI vide its circular no. SEBI/HO/OIAE/OIAE_ IAD-1/P/CIR/2023/131 dated July 31, 2023 has introduced an Online Dispute Resolution (ODR) mechanism which provides the investors an option for arbitration with Stock Exchanges in case of any dispute with the Company or RTA regarding delay or default in investor service.

In this regard, the Company has placed necessary details under the "Investor" tab on the website of the Company i.e. https://www.talbros.com/

(iv) Corporate Social Responsibility (CSR) Committee

Corporate Social Responsibility (CSR) Committee of the Board has been constituted in accordance and in compliance with provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The role of committee includes:

(i) To formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act.

(ii) To recommend the amount of expenditure to be incurred on such activities.

(iii) To monitor the Corporate Social Responsibility Policy of the Company from time to time

Composition and Attendance

During the year ended March 31, 2026, two (2) meetings of the Corporate Social Responsibility Committee were held on May 01, 2025 and August 04, 2025. The composition and attendance in Corporate Social Responsibility Committee meetings during the 2025-26, is as under:

Name of Director	No. of meetings attended
Mr. Umesh Talwar, Chairman	2
Mr. Navin Juneja, Member	2
Mr. Ajay Kumar Vij, Member	2

REMUNERATION OF DIRECTORS

Executive Directors

The remuneration paid to the Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, subject to the subsequent approval by the shareholders and such other approvals as may be required.

Details of Remuneration paid to Directors during the year ended March 31, 2026

Mr. Umesh Talwar, Vice Chairman and Managing Director and Mr. Anuj Talwar, Joint Managing Director of the Company were paid remuneration during the year under review as per the details given hereunder:

(Amt. in ₹)

S. No	Name of the Director	Basic Salary	House Rent Allowance	Provident Fund Contribution	Allowances	Superannuation Fund	Total
1.	Mr. Umesh Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
2.	Mr. Anuj Talwar	1,01,64,000	71,16,000	12,19,680	9,00,000	99,996	1,94,99,676
	Total	**2,03,28,000**	**1,42,32,000**	**24,39,360**	**18,00,000**	**1,99,992**	**3,89,99,352**

*Gratuity & other long term benefits are paid as per Company Policy.

Non-Executive Directors

The Non-Executive Independent Directors are paid sitting fee of ₹ 80,000/- for attending a Board Meeting and ₹ 40,000/- for attending an Audit Committee Meeting. They are also entitled for the reimbursement of travelling and other expenses incurred by them in connection with attending meetings of the Board of Directors or of Committee thereof or which they may otherwise incur in the performance of their duties as Director.

The Company does not have any other material pecuniary relationship/ transaction with any of its Non-Executive Directors.

Sitting fee paid for financial year 2025-26 is tabled below:

Sr. No.	Name of Non-Executive Directors	Sitting Fee (In ₹)
1.	Ms. Priyanka Gulati	4,80,000
2.	Mr. Ajay Kumar Vij	4,80,000
3.	Mr. Tarun Singhal	3,20,000
4.	Mr. Deepak Jain	1,60,000
5.	Mr. Rakesh Vohra	4,80,000
6.	Mr. Rajat Verma	3,20,000
7.	Mr. Navin Juneja	4,80,000
	Total	**27,20,000**

In case of Executive Directors and Managing Director/ Joint Managing Director, the appointments are governed by the resolutions passed by the Board and the members of the Company, which cover the terms and conditions of their appointment and no separate Service Contract is entered into by the Company. No severance fees except the statutory retirement benefits is payable to them.

In case of non-executive Independent Directors, their appointment is governed by the letter of appointment issued to them which contains their roles, duties and responsibilities.

The Company has not granted any stock options to any of its Directors during Financial Year 2025-26.

GENERAL BODY MEETINGS

The last three Annual General Meetings were held as per details given below:

Financial Year	**2022-23**	**2023-24**	**2024-25**
Venue	Through video conferencing. **Deemed venue** – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. **Deemed venue** – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)	Through video conferencing. **Deemed venue** – 14/1, Delhi Mathura Road, P.O. Amar Nagar, Faridabad – 121003 Haryana (Registered Office)
Date and Time	September 25, 2023 (Monday), 11.00 A.M.	September 25, 2024 (Wednesday), 12.00 Noon.	September 25, 2025 (Thursday), 12.30 P.M.
Special Resolutions Passed	1. Re-appointment of Mr. Umesh Talwar, Vice Chairman & Managing Director of the Company. 2. Re-appointment of Mr. Anuj Talwar, Joint Managing Director of the Company.	1. Continuation of Directorship of Mr. Naresh Talwar (DIN: 00059155) as Chairman and Non-Executive Non-Independent Director.	1. To consider and approve re-appointment of Mr. Tarun Singhal (DIN: 07056960) as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2025.

REPORT ON CORPORATE GOVERNANCE (Contd.)

Financial Year	2022-23	2023-24	2024-25
	3. Re-appointment and continuation of Mrs. Priyanka Gulati (DIN: 07087707) as Non-Executive Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2023. 4. Approval of alteration of Capital Clause of the Memorandum of Association of the Company.	2. Re-appointment of Mr. Ajay Kumar Vij (DIN: 00164984) as an Independent Director of the Company for a second term of five consecutive years w.e.f. September 25, 2024. 3. Appointment of Mr. Rajat Verma (DIN: 02548070) as an Independent Director for a period of five years, not liable to retire by rotation. 4. Appointment of Mr. Rakesh Vohra (DIN: 00836463) as an Independent Director for a period of five years, not liable to retire by rotation.	

No Extra-Ordinary General Meeting was held during the last three financial years.

POSTAL BALLOT

Details of Special Resolution passed last year through Postal Ballot

No Special resolution was passed through Postal Ballot in 2024-25.

The details pertaining to conducting of Postal Ballot during the 2025-26 and Special Resolutions passed, are as follows:

Brief description of the Special Resolutions:

1. To appoint Mr. Umesh Talwar (DIN: 00059271) as Executive Chairman- Whole Time Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026.
2. To appoint Mr. Anuj Talwar (DIN: 00628063) as Managing Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026.
3. To appoint Mr. Varun Talwar (DIN: 00263984) as Vice Chairman and Managing Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026.

Date of Notice of Postal Ballot	:	February 11, 2026
Voting Period	:	Started on Saturday, February 28, 2026 at 9:00 A.M. (IST) and ended on Sunday, March 29, 2026 at 5:00 P.M. (IST) (both days inclusive)
Date of Declaration of Result	:	March 30, 2026
Date of Approval	:	March 30, 2026

A summary of the voting pattern is as under:

Item No.	Name of the Director	No. of Votes Polled	No. of Votes in favour	No. of Votes against	% of Votes in Favor on Votes Polled	% of Votes against on Votes Polled
1.	To appoint Mr. Umesh Talwar (DIN: 00059271) as Executive Chairman- Whole Time Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026.	33742564	33735917	6647	99.9803	0.0197
2.	To appoint Mr. Anuj Talwar (DIN: 00628063) as Managing Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026.	35148875	35142002	6873	99.9804	0.0196
3.	To appoint Mr. Varun Talwar (DIN: 00263984) as Vice Chairman and Managing Director (Key Managerial Personnel) of the Company for a period of 3 years w.e.f. April 1, 2026	33274030	33267107	6923	99.9792	0.0208

All the three Special Resolutions were passed with requisite majority.

Person who conducted the Postal Ballot exercise

Mrs. Kiran Sharma, Practicing Company Secretary, (FCS 4942) was appointed as the Scrutiniser for conducting the Postal Ballot in accordance with the Act and the Companies (Management and Administration) Rules, 2014 in a fair and transparent manner.

Procedure of Postal Ballot

In Compliance with the provisions of Sections 108 & 110 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014 and the General Circular No. 09/2023 dated September 25, 2023 issued by the Ministry of Corporate Affairs, the Postal Ballot Notice was sent through electronic mode on February 27, 2026 only to those Members whose names appear in the Register of Members and who had registered their email addresses with Depository Participants or the Company as on Cut-off Date i.e. February 23, 2026.

The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable rules.

The Company provided the facility of remote e-voting to the Members to cast their votes electronically, in accordance with Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations. The Company engaged the services of NSDL for the purpose of providing remote e-voting facility.

The Scrutiniser submitted her report on March 30, 2026 and the same was communicated to Stock Exchanges and was also placed on the website of the Company at https://www.talbros.com/ .

Special Resolution proposed through Postal Ballot in 2026-27

As on date, one Special Resolution is proposed to be passed through Postal Ballot for appointment of Mr. Pratham Mittal as an Independent Director.

MEANS OF COMMUNICATION

a) **Financial Results (quarterly/half-yearly/annual), Newspapers wherein Results are normally published and Website where displayed:** Pursuant to Regulation 33 of Listing Regulations, the Company has regularly furnished within the prescribed timelines the Quarterly (Unaudited)/ half yearly (Unaudited) as well as Annual

REPORT ON CORPORATE GOVERNANCE (Contd.)

Audited Financial Results to both the Stock Exchanges i.e. BSE & NSE where Company's shares are listed.

The said Financial Results are generally published in Business Standard (English & Hindi)newspaper . The same are also made available on the website of the Company at https://investors.talbros.com/newspaper-publication

b) **Company's Website (https://www.talbros.com/):** Detailed information on the Company's business and products; quarterly/ half yearly/ nine months and annual financial results are displayed on the Company's website. The Company's website https://www.talbros.com/ is a comprehensive reference on Talbros's management, vision, mission, policies, corporate governance, corporate sustainability, investor relations, sales network, updates and news. The section on '**INVESTORS**' serves to inform the shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to stock exchanges, presentations made to institutional investors or to the analysts, information about Company's Registrars and Share Transfer Agents etc.

c) **The Management Discussion & Analysis:** The Management Discussion & Analysis Report forms part of the Annual Report.

d) **Intimation to Stock Exchanges:** The Company makes timely disclosure of prescribed information to BSE and NSE in terms of the Listing Regulations and other rules and regulations issued by the SEBI. The Company intimates BSE Limited and National Stock Exchange of India Limited all price sensitive information which in its opinion are material and of relevance to the shareholders.

All information is filed electronically on online portals of BSE Limited and National Stock Exchange of India Limited, including under the Integrated filing system as prescribed by the Securities and Exchange Board of India (SEBI).

e) **Presentations made to Institutional Investors or to the Analysts:** Detailed presentations are made to the investors of Company and the same are hosted on the Company's website at https://www.talbros.com/ and are disseminated on the Stock Exchanges viz. BSE and NSE.

f) **Investor Conference Calls:** Every quarter, post announcement of financial results, conference calls are organised with institutional investors and analysts. All invitations, audio recordings and transcripts of the calls are made available on the website of the Company viz. https://www.talbros.com/ .

g) **Annual Report:** The Annual Report containing, inter-alia, the Audited Financial Statements (Standalone & Consolidated), Board's Report, Auditors' Report, Management Discussion and Analysis (MDA) report and other important information is circulated to Shareholders and other stakeholders and is also available on the Company's website at https://www.talbros.com/ .

h) **Reminders/Correspondences with Investors:** The periodical reminders to Shareholders regarding unclaimed shares/Dividend, e-mail registrations, Notice of General Meetings or any other information required to be disseminated under applicable statutes are sent to them in electronic form.

GENERAL SHAREHOLDERS INFORMATION

(i) 69th Annual General Meeting

The 69th Annual General Meeting is scheduled to be held on **Friday, September 25, 2026 at 12:30 p.m.** through video conferencing/ other audio-visual means.

(ii) Financial Year

The Financial Year of the Company starts from 1st April and ends on 31st March of next year.

(iii) Financial Reporting Calendar FY 2026-27 (Provisional)

Adoption of Quarterly results ended on	Tentative Calendar
April – June 2026	On or before August 14, 2026
July – September 2026	On or before November 14, 2026
October – December 2026	On or before February 14, 2027
January – March 2027	On or before May 30, 2027

(iv) Dividend Payment Date

The Board of Directors of the Company has recommended a final dividend of 27.5% on the paid-up equity share capital of the Company to be considered by the members in the 69th Annual General Meeting.

The said dividend, if approved by the shareholders, shall be paid to all the members as on the Record Date i.e.

September 11, 2026, within the statutory time limit of 30 days from the date of its declaration in addition to the interim dividend @10% i.e., ₹ 0.20/- per equity shares already paid in December, 2025.

(v) Listing of Equity Shares on Stock Exchanges

The Equity Shares of the Company are listed on the BSE Limited and National Stock Exchange of India Limited.

The annual listing fee due to BSE Limited and National Stock Exchange of India Limited for the year 2026-27 has been duly paid.

ISIN of the Equity Shares of the Company is **INE187D01029**

(vi) In case the securities are suspended from trading, the Boards' Report shall explain the reason thereof

The Securities of the Company have not been suspended for trading at any point of time during the Financial Year ended March 31, 2026.

(vii) Name and address of Stock Exchanges where Securities are listed

Name of Stock Exchange and Address	Stock Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001	505160
National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No. C/1, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	TALBROAUTO

(viii) Registrar & Transfer Agent

The details of the Registrar and Transfer Agents of the Company for Shares held in Physical as well as Electronic Mode are as under:

M/s KFIN Technologies Ltd.

Unit: Talbros Automotive Components Ltd.

Selenium Tower-B, Plot No. 31 & 32,

Financial District, Gachibowli, Nanakramguda, Serilingampally

Hyderabad 500032, India

Email: einward.ris@kfintech.com

Website: https://www.kfintech.com

(ix) Share Transfer System

The equity shares of the Company are compulsorily traded in Dematerialised form pursuant to SEBI directive.

In this regard, SEBI vide its notification no. SEBI/LADNRO/GN/2018/24 dated June 8, 2018 and Notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018 amended the provisions of Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 provided that from April 1, 2019, transfer of securities would not be processed unless the securities are held in the dematerialised form with a depository. In view of the same, now the shares cannot be transferred in the physical mode.

Hence, Members holding shares in physical form are requested to dematerialise their holdings immediately. In terms of the requirements of Regulation 40 of the Listing Regulations, the request for transfer of securities shall not be processed unless the securities are held in the dematerialised form with Depositories. Further, the request for transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Further, SEBI in continuation of its efforts to enhance ease of dealing in securities market by investors vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 (being part of the SEBI Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024), has mandated the listed entities to issue securities for the following service requests only in dematerialised form:

i. Issue of duplicate securities certificate;

ii. Claim from Unclaimed Suspense Account;

iii. Renewal/ Exchange of securities certificate;

iv. Endorsement

v. Sub-division/Splitting of securities certificate.

vi. Consolidation of securities certificates/folios;

vii. Transmission; and

viii. Transposition.

In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members

REPORT ON CORPORATE GOVERNANCE (Contd.)

can contact the Company or RTA, for assistance in this regard.

The Authorised officials of the Company attend to cases of transmission, issue of shares in exchange for subdivided, consolidated, defaced shares etc., and issue of duplicate share certificates / Letter of Confirmations

SEBI has also mandated furnishing of PAN, KYC details (i.e., Postal Address with PIN Code, e-mail address, mobile number, bank account details) and nomination details by holders of securities in physical form. Any service request or complaint received from the Member will not be processed until the aforesaid details/ documents are provided to RTA and on or after October 1, 2023, in case any of the above cited documents/ details are not available in the folio(s), RTA shall be constrained to freeze such folio(s). Relevant details and prescribed forms in this regard are available on website of the Company at https://www.talbros.com/

The Board has authorised the Stakeholders' Relationship Committee to sub-delegate its powers to the officers of the Company/RTA for prompt redressal of investor requests/ complaints.

(x) Reconciliation of Share Capital Audit

Audits were also carried out by the Practicing Company Secretary to reconcile the total admitted capital with NSDL and CDSL. The reports for the same were submitted to BSE and NSE. The audit confirms that the total issued/ paid-up and listed capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form (held with NSDL and CDSL). This audit is carried out at the end of every quarter and the report thereon is submitted to the Stock Exchanges.

(xi) Distribution of Shareholding as on March 31, 2026

Category (Shares)		No. of Shareholders		No. of Shares	
From	**To**	**Number**	**% Total**	**Number**	**% Total**
1	5000	60,853	97.98	1,13,35,807	18.36
5001	10000	744	1.20	26,72,344	4.33
10001	20000	264	0.43	19,25,917	3.12
20001	30000	103	0.17	12,60,639	2.04
30001	40000	43	0.07	7,44,991	1.21
40001	50000	23	0.04	5,28,561	0.86
50001	100000	37	0.06	13,17,927	2.14
100001	above	43	0.07	4,19,41,964	67.95

(xii) Dematerialisation of Shares and Liquidity as on March 31, 2026.

Shares of the Company can be held and traded in electronic form. SEBI has stipulated the shares of the Company for compulsory delivery in dematerialised form only, by all investors. The Company has entered into agreements with both the depositories viz. National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL) to facilitate trading in dematerialised form in India.

The breakup of Equity Share capital held with depositories and in physical form as on March 31, 2026 is as follows:

Category	No. of shareholders	No. of Equity Shares	% of Capital
Physical	0	0	0.00
NSDL	20219	50757624	82.23
CDSL	41891	10970526	17.77
Total	**62110**	**61728150**	**100.00**

Status of Liquidity

The number of shares of the Company traded in the Stock Exchange for the 2025-2026 is given below:

Particulars	BSE	NSE	Total
No. of shares traded	26,78,092	3,62,73,103	3,89,51,195
% of Total Equity	4.34%	58.77%	63.11%

(xiii) Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity

There are no GDRs/ ADRs/ warrants/convertible instruments outstanding as on March 31, 2026.

(xiv) Outstanding Stock Option

There are no outstanding warrants or any convertible instruments as on March 31, 2026.

(xv) Plant Locations of the Company

The Company has four Gasket Manufacturing Facilities and two Forging Plants. The addresses are as given below:

NAME OF PLANT	LOCATION
Gasket Plant-I and Registered Office	14/1, Delhi Mathura Road, Faridabad-121003 (Haryana)
Gasket Plant-II	Plot No. 68, F-11, MIDC, Pimpri, Pune-411018 (Maharashtra)
Gasket Plant-III	Industrial Shed No B-100, Gat No. 3/1, 3/3(P), 4/1(P) 5(P) & 8/1, Village-Varale. Tal-Khed, Pune – 410501 (Maharashtra)
Gasket Plant-IV	Plot No.B-177, Phase-I, Eldeco-Sidcul Industrial park, Sitarganj, Uttrakhand-262405
Forging Division- I	Plot no. 39 to 46, Sector-6, Industrial Growth Centre, Bawal-123501 (Haryana)
Forging Division- II	Plot No. 18, Sector-14, IMT Bawal, Rewari-123501, Haryana.

(xvi) Address for Correspondence

The shareholders may address their communications/ suggestions/ grievances/ queries to:

Registered Office

Talbros Automotive Components Ltd

14/1, Delhi Mathura Road, Faridabad–121003

Tel: +91-129- 4960482/ 4960456/4960400

Email: seema_narang@talbros.com

For all matters relating to investor relations please contact:

Mrs. Seema Narang

The Company Secretary & Compliance officer

Talbros Automotive Components Ltd

14/1, Delhi Mathura Road, Faridabad–121003

Tel: +91-129- 4960482/ 4960456

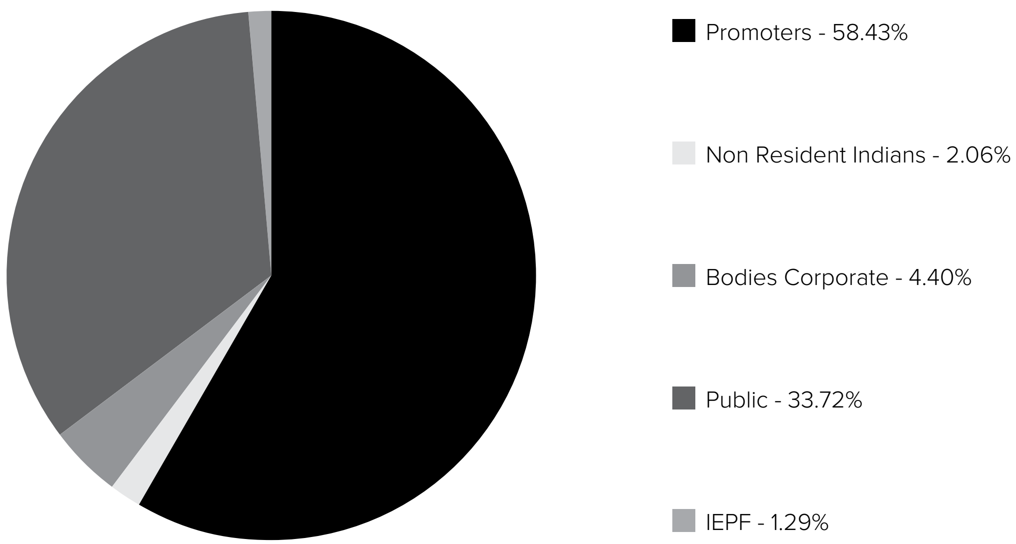
Email: seema_narang@talbros.com

REPORT ON CORPORATE GOVERNANCE (Contd.)

(xvii) Shareholding Pattern as on March 31, 2026

Category	**No. of Shares**	**% to equity**
Promoters	36070183	58.43
Mutual Funds	0	0.00
Non Resident Indians	1273640	2.06
Banks, Financial Institutions & Insurance Companies	56405	0.09
Bodies Corporate	2719029	4.40
Central Government/ State Government	0	0.00
Public	20811872	33.72
IEPF	797021	1.29
Total	**61728150**	**100.00**

Shareholding Pattern as on March 31, 2026



(xviii) Commodity price risk or foreign exchange risk and hedging activities

Based on the products manufactured or dealt with by the Company, the Company is not exposed to any material commodity price risks. The Company is exposed to foreign exchange risk mainly in respect of exposures relating to export orders. The Company remains substantially hedged through appropriate derivative instruments to minimise the risk and to take advantage of forward premium. The details of unhedged foreign currency exposures and hedging are disclosed in notes to the financial statements.

(xix) Unclaimed Dividends

By virtue of Section 125 of the Companies Act, 2013, the amount of dividend remaining unpaid/ unclaimed for seven years from the date of its transfer to the Unpaid Dividend Account of the Company is required to be transferred to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

The date of declaration of dividend and corresponding dates when the unpaid/ unclaimed dividend is due for transfer to the IEPF are given below:

Year	Date of Declaration	Due date for transfer
2018-19	September 25, 2019	October 23, 2026
2019-20	September 25, 2020	October 23, 2027
2020-21	September 27, 2021	October 25, 2028
2021-22*	February 9, 2022	March 9, 2029
2021-22	September 26, 2022	October 24, 2029
2022-23*	February 8, 2023	March 8, 2030
2022-23	September 25, 2023	October 23, 2030
2023-24*	November 8, 2023	December 6, 2030
2023-24	September 25, 2024	October 23, 2031
2024-25*	November 14, 2024	December 12, 2031
2024-25	September 25, 2025	October 23, 2032
2025-26*	November 13, 2025	December 11, 2032

*Interim Dividend

Members who have not encashed their dividend warrants so far in respect of dividend 2018-19 are requested to have the same revalidated to encash and avoid transfer to IEPF as being requested separately by the Company.

Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder. The nomination facility in respect of shares held in electronic form is also available with the depository participants as per the byelaws of NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Transfer Agents.

(xx) Credit ratings obtained by the Company

Company's Credit Ratings were re-affirmed by CARE Ratings on December 5, 2025 which are mentioned as under:

Facilities	Amount (₹ Crores)	Rating	Rating Action
Long Term Bank Facilities	118.47	CARE A+; Stable (Single A Plus; Outlook: Stable)	Reaffirmed
Short Term Bank Facilities	45.00	CARE A1+ (A One Plus)	Reaffirmed
Total Facilities	**163.47** **(₹ One Hundred Sixty-Three Crores and Forty Seven Lacs Only)**		

(xxi) Details of Compliance with the Circular issued by the National Financial Reporting Authority

In accordance with the circular dated January 7, 2026 issued by the National Financial Reporting Authority, the Board of Directors have adopted a framework to ensure effective two-way communication between 'Those Charged with Governance' ("TCWG") and the Statutory Auditors.

OTHER DISCLOSURES

(a) Related Party Transactions

All transactions with Related Parties during the financial year ended March 31, 2026 covered under the Companies Act, 2013 and Listing Regulations were at arm's length basis, in the ordinary course of business and in accordance with the shareholders' approval wherever required.

REPORT ON CORPORATE GOVERNANCE (Contd.)

There were no materially significant Related Party transactions that may have a potential conflict with the interests of the Company at large.

(b) Details of the non-compliance by the Company

During the financial year under review, no penalty has been imposed on the Company by SEBI or any other Statutory Authority.

(c) Details of establishment of Vigil Mechanism/ Whistle Blower Policy

Under the Vigil Mechanism, the Company has provided a platform to Directors and employees to raise concerns regarding any irregularity, misconduct or unethical matters / dealings within the Company/Group which have a negative bearing on the organisation either financially or otherwise.

The Company has a robust Whistle Blower Policy to enable its Directors and employees to voice their concerns to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Company promotes a favourable environment for employees to have an open access to the respective functional Heads, Executive Directors, Chairman and Managing Director, so as to ensure ethical and fair conduct of the business of the Company.

No persons were denied access to the Audit Committee of the Company with regards to the above.

(d) Compliances by the Company

The Company has complied with the requirements of the Stock Exchanges and Securities and Exchange Board of India (SEBI) including:

(i) Corporate governance requirement as specified under Point C of Schedule V of the SEBI Listing Regulations.

(ii) Regulation 17 to 27 and clause (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable

(iii) Treatment as prescribed in the applicable Accounting Standards.

(e) Web Link where Policy for determining material subsidiaries is disclosed

Company does not have any subsidiary, and will formulate policy for determining material subsidiaries as and when required.

(f) Web Link where Policy on dealing with Related Party Transactions is disclosed

The Company has framed a Policy for related party transactions and the same is available on Company's website at following link and the details of related party transactions are given in the Notes to the financial statements: https://www.talbros.com/policies-and-codes

(g) Risk Management

The Company has defined and adopted a Risk Management Process and has also set up a core group of leadership team, which assesses the risks and lays down the procedure for minimisation of the risks as an ongoing process integrated with operations.

The above facilitates not only in risk assessment and timely rectification but also help in minimisation of risk associated with respective business operations and periodic reporting to Board as and when required.

The Board of Directors has adopted the Code of Business Conduct and Ethics for Directors & Senior Management. The Code has been circulated to all employees and also posted on Company's website https://www.talbros.com/. All Board members and senior personnel have affirmed compliance with the code.

(h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)

No funds have been raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) during the financial year ended on March 31, 2026.

(i) Directors Non-Disqualification Certificate

Certificate as required under Part C of Schedule V of Listing Regulations, received from Kiran Sharma &

Co., Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Company by the SEBI/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on May 20, 2026. The said certificate forms a part of this report.

(j) Recommendation of the Board's Committees

All recommendations of the various committees were accepted by the Board.

(k) Details of total fees paid to Statutory Auditors

Details of total fees for all services paid by the Company, on a consolidated basis, to the Statutory Auditors are provided under Note No. 31 to the Standalone financial statements.

(l) Disclosure in relation to Sexual Harassment of Women at Workplace

The Company values the dignity of individuals and is committed to provide an environment, which is free of discrimination, intimidation and abuse.

The Company has put in place a policy on redressal of Sexual Harassment and a Policy on redressal of harassment at workplace as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual Harassment Act"). As per the policy, any employee may report his/ her complaint to the Redressal Committee formed for this purpose or their Manager or HR personnel.

The Company has also constituted an Internal Complaints Committee to inquire into complaints of sexual harassment and recommendation for appropriate action.

The details relating to the number of complaints received and disposed-off during 2025-26 are as under:

S. No.	Particular	No of Complaints
1	No. of complaints filed during the year	0
2	No. of complaints disposed during the year	0
3	No. of complaints pending as on end of the Financial Year	0

(m) Code of Conduct for Prevention of Insider Trading

The Company has instituted code on Prevention of Insider Trading in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The code lays down the guidelines which advise on procedure to be followed and disclosures to be made, while dealing in shares of the Company and the consequences of non-compliances.

(n) Disclosure of accounting treatment

The financial statements of the Company have been prepared in accordance with the Section 133 of the Companies Act, 2013 and Indian Accounting Standard Rules, 2015, which became applicable on the Company w.e.f. April 1, 2017.

The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

(o) CEO/ CFO certification

The certificate from Mr. Ashish Gupta, Chief Executive Officer (CEO) and Mr. Manish Khanna, Chief Financial Officer (CFO) of the Company as placed before the Board in terms of Regulation 17(8) of the SEBI Listing Regulations is enclosed at the end of this Report.

(p) Disclosure of loans and advances in the nature of loans to firms/ companies in which directors are interested of the Company and subsidiaries

During the year, the Company has not provided any loans and advances in the nature of loans to firms/ companies in which directors are interested.

ADOPTION OF DISCRETIONARY REQUIREMENTS

- The Board: The Company does not pay for maintenance of office of Non-Executive Chairman.
- Shareholder Rights: Quarterly Financial Statements are published in newspapers and uploaded on Company's website to be accessible by Shareholders.
- Modified opinion(s) in audit report: During the year under review, there is no Audit qualifications on the Company's Financial Results. The Company continues to adopt best practices to ensure regime of Unmodified Opinion.

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Separate posts of Chairman and the Managing Director or the Chief Executive Officer: The Company is having separate persons holding the post of Chairman and the Managing Director.
- Reporting of Internal Auditor: Forvis Mazars LLP are the Internal Auditors of the Company. The Internal Auditors have direct access to the Audit Committee and Internal Auditors presents their Audit Observations to the Audit Committee of Board.

DISCLOSURE WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT

Pursuant to split/ sub-division of the equity shares of the Company of ₹ 10/- each into five equity shares of ₹ 2/- each on October 27, 2023, the Company has opened the Escrow Demat Account for the purpose of transfer of the shares of the shareholders in that account who were holding shares in physical mode as on the date of split of shares. The Company releases the aforesaid shares as and when requests from respective shareholders are received by the Company.

Pursuant to Regulation 34(3) read with Schedule V of the Listing Regulations, the Company reports the following details in respect of the equity shares lying in the suspense account:

Particulars	No. of Shareholders	No. of Equity Shares
Aggregate number of Shareholders and outstanding shares at the beginning of the year i.e. as on April 01, 2025	951	5,85,855
Number of Shareholders who approached for issue/transfer of Shares during the FY 2025-26	41	26,630
Number of Shareholders to whom shares were issued/ transferred	41	26,630
Transfer to IEPF during FY 2025-26	8	85
Aggregate number of Shareholders and the Outstanding shares lying at the end of the year i.e. March 31, 2026	902	5,59,140

COMPLIANCE CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

As required under Schedule V, Part E of the Listing Regulations, the Compliance Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance forms part of this Report.

CERTIFICATE OF COMPLIANCE WITH THE CONDITIONS OF

CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Talbros Automotive Components Limited
CIN: L29199HR1956PLC033107
14/1, Mathura Road,
Faridabad-121003, Haryana

We have examined all the relevant records for the purpose of certifying all the conditions of compliance of Corporate Governance by **Talbros Automotive Components Limited** having **CIN: L29199HR1956PLC033107** ("the Company"), for the Financial Year ended on March 31, 2026 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility include the design, implementation and maintenance of Internal Control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations for the year ended on March 31, 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
(Proprietor)
M. No.: 4942
COP No.: 3116

Date: May 20, 2026
Place: New Delhi

UDIN: F004942H000384761
PR No.: 7910/2026

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Talbros Automotive Components Limited
14/1, Mathura Road,
Faridabad-121003, Haryana

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Talbros Automotive Components Limited having CIN L29199HR1956PLC033107** and having registered office at 14/1, Mathura Road, Faridabad-121003, Haryana and (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

S. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1	Mr. Naresh Talwar	00059155	July 15, 2001	-
2	Mr. Umesh Talwar	00059271	April 18, 2000	-
3	Mr. Varun Talwar	00263984	August 14, 2008	-
4	Mr. Vidur Talwar	00114643	February 12, 2015	-
5	Mr. Anuj Talwar	00628063	August 14, 2012	-
6	Mr. Navin Juneja	00094520	November 12, 2010	-
7	Mr. Ajay Kumar Vij	00164984	January 2, 2019	-
8	Mrs. Priyanka Gulati	07087707	May 25, 2018	-
9	Mr. Tarun Singhal	07056960	June 18, 2020	-
10	Mr. Deepak Jain	00004972	December 29, 2021	-
11	Mr. Rajat Verma	02548070	August 7, 2024	March 13, 2026
12	Mr. Rakesh Vohra	00836463	August 7, 2024	-

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kiran Sharma & Co.
Company Secretaries

Sd/-
Kiran Sharma
(Proprietor)
M. No.: 4942
CP No.: 3116
UDIN: F004942H000384629

Date: May 20, 2026
Place: New Delhi

DECLARATION FOR CODE OF CONDUCT

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended March 31, 2026.

For Talbros Automotive Components Ltd

	Sd/-	Sd/-
	Ashish Gupta	**Anuj Talwar**
Place: Gurugram	Chief Executive officer	Managing Director
Date: May 20, 2026	PAN: AFKPG4231L	DIN: 00628063

CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE COMPANY UNDER REGULATION 17(8) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, Ashish Gupta, Chief Executive Officer and Manish Khanna, Chief Financial Officer of Talbros Automotive Components Limited to the best of our knowledge and belief, certify that-

A. We have reviewed the Audited Financial Results of the Company for the Financial Year ended March 31, 2026 and that to the best of our knowledge and belief:

    1. these statements do not contain any materially untrue statement or figures or omit any material fact or contain statements or figures that might be misleading;

    2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. To the best of our knowledge and belief, no transactions entered into by the Company during the year and quarter ended March 31, 2026 which are fraudulent, illegal or violate the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

    1. significant changes in internal control over financial reporting during the year;

    2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

    3. there were no instances of significant fraud of which we are aware that involve therein the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Talbros Automotive Components Ltd

	Sd/-	Sd/-
	Ashish Gupta	**Manish Khanna**
Place: Gurugram	Chief Executive officer	Chief Financial Officer
Date: May 20, 2026	PAN: AFKPG4231L	PAN: AFNPK9894A

INDEPENDENT AUDITOR'S REPORT

To the Members of Talbros Automotive Components Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone financial statements of **Talbros Automotive Components Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement for Cash Flows for the year ended on that date, and notes to the financial statement including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the Company as at March 31, 2026, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	***Valuation of complex instruments involving high estimation uncertainty*** The Company has material long-term investments in group companies which are unquoted.	***Principal Audit Procedures*** We have verified the company's shareholding in the investment in equity instruments which are fair valued by the company. We have verified the reasonableness of the assumptions used and the valuation technique used to determine the fair value.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors and management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF STANDALONE FINANCIAL STATEMENTS

Our Objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has an adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, Structure, and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143 (3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.

   (e) On the basis of the written representations received as on March 31, 2026, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over the financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      (i) The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer to Note 39 to the standalone financial statements.

      (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

      (iii) There has been no delay in transferring amounts, required to be transferred to

Investor Education and Protection Fund by the Company.

(iv) (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note 37(B) to the standalone financial statements:

(a) The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable;

(b) The interim dividend declared and paid by the Company during the year complies with Section 123;

(c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) Based on our examination, which included test checks, the Company has used accounting software namely SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

(Piyush Tripathi)
Partner
Membership No. 524288
UDIN: 26524288IZZWDZ7842
Place : Gurugram
Dated: May 20, 2026

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Talbros Automotive Components Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls over the financial reporting of **Talbros Automotive Components Limited** ("the Company") as of March 31, 2026, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by The Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by The Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.

(2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally accepted accounting principles, and those receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2026 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For J. C. Bhalla & Co.
Chartered Accountants
Firm’s Registration No. 001111N

(Piyush Tripathi)
Partner
Membership No. 524288
UDIN: 26524288IZZWDZ7842
Place : Gurugram
Dated: May 20, 2026

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Talbros Automotive Components Limited of even date)

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, investment property, capital work-in-progress and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment, Right-of-use Assets, Investment Property and Capital Work-in-Progress so as to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment, Right of use Assets, Investment Property and Capital Work-in-Progress were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed in such verification.

(c) Based on our examination of the property tax receipts and lease agreements for the land on which the building is constructed and confirmation from the lenders with whom title deeds have been deposited as security for availing the banking facilities, we report that the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment and Investment Property are held in the name of the company as at the balance sheet date.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2026, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) According to the information and explanations given to us, inventories have been physically verified by the management at reasonable intervals during the year, except for inventories lying with third parties for which certificates confirming inventories held by them have been obtained in most of the cases. The discrepancies noticed on physical verification of inventories as compared to book records were less than 10% in aggregate for each class of inventory and the same has been properly dealt within books of account.

(b) The Company has been sanctioned working capital limits in excess of ₹ 5 crores, in the aggregate, from banks on the basis of security of current assets during the year and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the company. Items of reconciliation have been duly identified between the quarterly returns and books of account of the company.

iii. The Company has not provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, and hence reporting under clause 3(iii) (c), (d), (e) and (f) of the Order are not applicable. The Company has made an investment during the year, in respect of which the requisite information is as below.

a. As per the information and explanations given to us, the Company has made an investment in the entity as below:

(Amount in Lakhs)

Particulars	Amount invested during the year	Balance outstanding as at year end
Investment in Clean Max Kaziranga Pvt. Ltd.	337.50	353.67

b. According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion, the investment made is prima facie not prejudicial to the interest of the company.

iv. In our opinion and according to the information and explanations given to us, the Company has not entered any transaction covered under section 185 of the Act. However, the company has complied with the provisions of Section 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

v. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, regarding the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard. The Company has not accepted any amounts which are deemed to be deposits, and hence reporting under clause 3 (v) of the order is not applicable.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess, and other material statutory dues in arrears as at March 31, 2026, for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2026, on account of disputes are given below:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the amounts relate	Forum where the dispute is pending
Finance Act, 1994	Cenvat-Credit disallowed	8.85	-	2007-08 to 2010-11	Assistant Commissioner Faridabad
Custom Act, 1962	Demand of Custom Duty	28.12	4.13	FY 2012-13, 2014-15, 2015-16	The Customs, Excise and Service Tax Appellate Tribunal
Custom Act, 1962	Demand of Custom Duty	7.97	-	2013-14	Deputy Commissioner of Customs, Delhi
Uttarakhand VAT Act, 2005	Value Added tax	37.73	-	FY 2016-17	Deputy Commissioner
Income Tax Act	Income Tax	871.51	278.10	FY 2012-13, 2015-16, 2016—2017, 2017-18	CIT(Appeals)

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender.

(b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) On an overall examination of the financial statements of the Company and according to the information and explanations given to us, the Company have not availed any term loan during the year.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures.

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

(f) The Company has not raised loans during the year on the pledge of securities held in its joint ventures.

x. (a) The Company has not raised moneys by way of an initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Sections 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios disclosed in note 43G to the Financial Statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with the second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) In our opinion, there are no ongoing projects and accordingly reporting under clause 3(xx)(b) of the Order is not applicable.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

(Piyush Tripathi)
Partner
Membership No. 524288
UDIN: 26524288IZZWDZ7842
Place : Gurugram
Dated: May 20, 2026

talbros

STANDALONE BALANCE SHEET
as at March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	March 31, 2026	March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	2	22,490.87	21,768.57
Capital work in progress	2	2,172.88	2,273.69
Investment property	3	232.15	248.82
Intangible assets	4	40.24	33.91
Financial assets			
Investments	5	18,346.94	16,668.73
Other financial assets	7A	724.57	3,118.48
Non-current tax assets	8	154.69	165.19
Other non-current assets	9A	440.65	347.36
Total non-current assets		**44,602.99**	**44,624.75**
Current assets			
Inventories	10	14,589.33	12,585.38
Financial assets			
Trade receivables	11	28,220.55	24,569.56
Cash and cash equivalents	12	3,582.79	1,484.29
Other bank balances	13	7,795.32	4,820.08
Loans	6	45.85	158.46
Other financial assets	7B	156.34	190.76
Other current assets	9B	3,212.29	2,345.81
Total current assets		**57,602.47**	**46,154.34**
Total assets		**1,02,205.46**	**90,779.09**
Equity and liabilities			
Equity			
Equity share capital	14	1,234.56	1,234.56
Other equity	15	66,755.70	57,754.28
Total equity		**67,990.26**	**58,988.84**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16A	201.41	357.26
Lease liabilities	17A	599.63	804.00
Other financial liabilities	18A	23.00	48.20
Provisions	19A	278.09	266.98
Deferred tax liabilities	20	3,739.09	3,466.15
Other non-current liabilities	21A	44.47	16.44
Total non-current liabilities		**4,885.69**	**4,959.03**
Current liabilities			
Financial liabilities			
Borrowings	16B	7,289.01	7,951.00
Lease liabilities	17B	279.79	269.57
Trade payables	22		
(i) total outstanding dues of micro enterprises and small enterprises		1,098.75	888.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		18,836.88	16,069.46
Other financial liabilities	18B	1,136.17	799.27
Other current liabilities	21B	559.56	717.05
Provisions	19B	129.35	136.50
Total current liabilities		**29,329.51**	**26,831.22**
Total equity and liabilities		**1,02,205.46**	**90,779.09**
The accompanying notes form an integral part of these financial statements	1-47		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20,2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue			
Revenue from operations	23	87,004.16	82,705.22
Other income	24	1,987.92	1,885.61
Total income		**88,992.08**	**84,590.83**
Expenses			
Cost of materials consumed	25	45,821.41	43,057.70
Purchase of stock-in-trade	26	396.47	405.92
Changes in inventories of finished goods, stock in trade and work in progress	27	(1,122.42)	(528.56)
Employee benefits expenses	28	9,945.26	9,225.85
Finance costs	29	1,317.36	1,369.65
Depreciation and amortization expense	30	3,268.29	3,187.81
Other expenses	31	18,300.26	17,585.19
Total expenses		**77,926.63**	**74,303.56**
Profit before exceptional items and tax		**11,065.45**	**10,287.27**
Exceptional items	32	-	-
Profit before tax		**11,065.45**	**10,287.27**
Tax expense	33		
Current tax		2,741.67	2,529.10
Deferred tax		(46.55)	(41.77)
Earlier years tax adjustments (net)		(13.56)	12.69
Total tax expense		**2,681.56**	**2,500.02**
Profit for the year		**8,383.89**	**7,787.25**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		28.42	(8.92)
Changes in fair value of FVOCI equity instruments		1,340.71	701.73
Income tax relating to items that will not be reclassified to profit or loss		(319.49)	(161.23)
Total other comprehensive income for the year		**1,049.64**	**531.58**
Total comprehensive income for the year		**9,433.53**	**8,318.83**
Earnings per equity share (Face value ₹ 2 per share)	34		
Basic (₹)		13.58	12.62
Diluted (₹)		13.58	12.62
The accompanying notes form an integral part of these financial statements	1-46		

This is the statement of profit or loss referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 20,2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
Balance as at April 01, 2024	**898.23**	**15.21**	**4,678.30**	**34,164.74**	**10,111.06**	**49,867.54**
Profit for the year	-	-	-	7,787.25	-	7,787.25
Other comprehensive income for the year (net of tax impact)	-	-	-	(6.67)	538.25	531.58
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(432.09)	-	(432.09)
Balance as at March 31, 2025	**948.23**	**15.21**	**4,678.30**	**41,463.23**	**10,649.31**	**57,754.28**
Profit for the year	-	-	-	8,383.89	-	8,383.89
Other comprehensive income for the year (net of tax impact)	-	-	-	21.26	1,028.38	1,049.64
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(432.11)	-	(432.11)
Balance as at March 31, 2026	**998.23**	**15.21**	**4,678.30**	**49,386.27**	**11,677.69**	**66,755.70**

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

For and on behalf of Talbros Automotive Components Limited

per Piyush Tripathi
Partner
Membership No. 524288

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

Place: Gurugram
Date: May 20,2026

STANDALONE STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**11,065.45**	**10,287.27**
	Adjustments for:		
	Depreciation on property, plant and equipment, investment property and intangible assets	3,268.29	3,187.81
	Profit on sale of property, plant and equipment (net)	(114.16)	(158.76)
	Interest income	(602.36)	(600.33)
	Dividend income	(496.85)	(473.28)
	Allowance for doubtful debts (net)	137.66	135.00
	Unrealized foreign exchange gain	(112.75)	(130.30)
	Advances written off	40.15	96.01
	Provisions no longer required written back	(40.15)	(95.90)
	Finance costs	1,317.36	1,369.65
	Operating profit before working capital changes	**14,462.64**	**13,617.17**
	Movement in working capital		
	Change in inventories	(2,003.95)	91.82
	Change in Trade receivables, other financial and non-financial assets	(4,473.52)	(3,511.16)
	Change in Trade payable, other financial and non-financial liabilities	3,199.90	185.78
	Cash generated from operating activities post working capital changes	**11,185.07**	**10,383.61**
	Income tax paid (net)	(2,717.61)	(2,381.68)
	Net cash generated from operating activities (A)	**8,467.46**	**8,001.93**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(4,148.64)	(5,378.42)
	Proceeds from sale of property, plant and equipment	279.14	313.18
	Purchase of non-current investments	(337.50)	(1.00)
	Movement in other bank balances	(501.98)	(209.06)
	Proceeds from intercorporate deposits	95.00	105.00
	Dividend received	496.85	473.28
	Interest received	524.81	231.65
	Net cash used in investing activities (B)	**(3,592.32)**	**(4,465.37)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings	-	108.66
	Repayment of borrowings	(820.21)	(424.74)
	Payment towards lease liabilities	(281.46)	(280.62)
	Dividend paid	(431.00)	(436.24)
	Interest paid	(1,243.97)	(1,255.38)
	Net cash used in financing activities (C)	**(2,776.64)**	**(2,288.32)**
	Increase/ (decrease) in cash and cash equivalents (A+B+C)	2,098.50	1,248.24
	Cash and cash equivalents at the beginning of the year	1,484.29	236.05
	Cash and cash equivalents at the end of the year (Refer note 12)	**3,582.79**	**1,484.29**

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20,2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2026

1. CORPORATE INFORMATION

Talbros Automotive Components Limited ("the Company") is a public company incorporated and domiciled in India. The Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Company is in the business of manufacturing Gaskets and forging. The Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

These financial statements are standalone financial statements of the Company. The Company has also prepared consolidated financial statements for the year ended March 31, 2026 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 20, 2026.

1.1 Material Accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured using actuarial valuation.

The significant accounting policies that are used in the preparation of these financial statements are summarized below. These accounting policies are consistently used throughout the periods presented in the financial statements.

b) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Significant management judgments

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Provisions, contingent liabilities and contingent assets – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Leases – The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

c) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

d) Inventory

Inventories are valued as follows:

Raw material, stores and spares

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalized as “Property, plant and equipment” and are depreciated prospectively over their remaining useful lives in accordance with In AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

e) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company and the benefit shall be availed over a period of more than 1 year. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	Useful life
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

In case during any financial year, any addition has been made to any asset, or where any asset has

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis on individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

f) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortization and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Amortizisation period
Computer Software	3-5 years
Technical know how	10 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

g) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognized.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its investment properties recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

h) Leases

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Contingent rents are recognized as revenue in the period in which they are earned.

The Company does not have any finance lease as a lessor.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

j) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognized either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Company applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

Sale of goods and services

Revenue from sale of goods is recognized when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price is allocated.

Revenue from services is recognized when Company satisfies the performance obligations by transferring the promised services to its customers.

k) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. Financial assets carried at amortized cost – A financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. Financial assets at fair value

- **Investments in equity instruments** – Investments in equity instruments which are held for trading are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company makes irrevocable choice upon initial recognition, on an instrument-to-instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).
- If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is de-recognized when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

l) Impairment of financial assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive. When estimating the cash flows, the Company considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

m) Investment in joint ventures

Investments in joint ventures are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

n) Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Company has no obligation other than the contribution payable to the Provided Fund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absence

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/ losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognized when the realisation of income is virtually certain.

1.2 Other accounting policy information

a) Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognized in the statement of profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

b) Government grant

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

c) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the leases recognized in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

d) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional and presentation currency.

Foreign currencies

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at exchange rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

All other exchange differences are charged to the statement of profit and loss.

e) Other income

Dividend income

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Export incentives

Export incentives are accounted on accrual basis.

f) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.3 Recent accounting pronouncements which are not yet effective

As on date of these standalone financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards, which are effective from April 01, 2025.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Freehold land	Right of use - Land	Right of use -Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
Gross block														
As at April 01, 2024	693.56	413.99	1,378.49	4,155.45	28,085.54	431.47	27.80	627.69	376.87	1,054.19	43.03	10.52	37,298.60	734.77
Additions	-	-		101.39	3,860.79	97.14	-	28.91	46.91	61.34	-	-	4,196.48	2,604.49
Disposals/transfers	-	-	-	-	(456.44)	(65.94)	-	(16.37)	(13.26)	-	-	-	(552.01)	(1,065.57)
Balance as at March 31, 2025	**693.56**	**413.99**	**1,378.49**	**4,256.84**	**31,489.89**	**462.67**	**27.80**	**640.23**	**410.52**	**1,115.53**	**43.03**	**10.52**	**40,943.07**	**2,273.69**
Additions	-	-	-	215.06	3,441.75	91.84	-	220.05	72.38	137.25	-	-	4,178.33	2,470.98
Disposals/transfers	-	-	-	-	(332.50)	(53.17)	-	(8.73)	(0.63)	-	-	-	(395.03)	(2,571.79)
Balance as at March 31, 2026	**693.56**	**413.99**	**1,378.49**	**4,471.90**	**34,599.14**	**501.34**	**27.80**	**851.55**	**482.27**	**1,252.78**	**43.03**	**10.52**	**44,726.37**	**2,172.88**
Accumulated depreciation														
As at April 01, 2024	-	71.82	101.97	1,724.25	12,688.11	238.73	27.80	513.82	278.54	709.12	38.41	10.44	16,403.01	-
Charge for the year	-	4.60	247.05	275.82	2,384.07	56.20	-	59.43	58.49	82.22	1.19	-	3,169.07	-
Disposals/transfers	-	-	-	-	(311.47)	(56.45)	-	(16.37)	(13.29)	-	-	-	(397.58)	-
Balance as at March 31, 2025	**-**	**76.42**	**349.02**	**2,000.07**	**14,760.71**	**238.48**	**27.80**	**556.88**	**323.74**	**791.34**	**39.60**	**10.44**	**19,174.50**	**-**
Charge for the year	-	4.60	247.05	289.84	2,497.29	71.01	-	55.13	53.61	71.62	0.89	-	3,291.04	-
Disposals/transfers	-	-	-	-	(181.07)	(39.61)	-	(8.73)	(0.63)	-	-	-	(230.04)	-
Balance as at March 31, 2026	**-**	**81.02**	**596.07**	**2,289.91**	**17,076.93**	**269.88**	**27.80**	**603.28**	**376.72**	**862.96**	**40.49**	**10.44**	**22,235.50**	**-**
Net block as at March 31, 2026	**693.56**	**332.97**	**782.42**	**2,181.99**	**17,522.21**	**231.46**	**-**	**248.27**	**105.55**	**389.82**	**2.54**	**0.08**	**22,490.87**	**2,172.88**
Net block as at March 31, 2025	**693.56**	**337.57**	**1,029.47**	**2,256.77**	**16,729.18**	**224.19**	**-**	**83.35**	**86.78**	**324.19**	**3.43**	**0.08**	**21,768.57**	**2,273.69**

(i) Expenditures capitalized in the carrying amount of property plant and equipment

The Company has capitalized the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2026	March 31, 2025
Salaries and wages	201.17	208.94
Depreciation	61.93	54.54
Power and fuel	114.33	119.88
Repairs and maintenance	82.79	78.45
Processing charges and consumable	435.97	505.39
Total	**896.19**	**967.20**

(ii) Contractual obligations

Refer note 39B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Assets pledged as security

Refer note 16 for disclosure of property, plant and equipment pledged as securities against borrowings.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
Gross block			
As at April 01, 2024	40.77	512.27	553.04
Additions/transfers	-	-	-
As at March 31, 2025	**40.77**	**512.27**	**553.04**
Additions/transfers	-	-	-
Balance as at March 31, 2026	**40.77**	**512.27**	**553.04**
Accumulated depreciation			
As at April 01, 2024	-	287.56	287.56
Charge for the year	-	16.66	16.66
As at March 31, 2025	**-**	**304.22**	**304.22**
Charge for the year	-	16.67	16.67
Balance as at March 31, 2026	**-**	**320.89**	**320.89**
Net block as at March 31, 2026	**40.77**	**191.38**	**232.15**
Net block as at March 31, 2025	**40.77**	**208.05**	**248.82**

(i) Amount recognized in profit and loss for investment property

Particulars	March 31, 2026	March 31, 2025
Rental income	324.49	296.16
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property before depreciation	**324.49**	**296.16**
Less: depreciation expense	16.67	16.66
Profit from leasing of investment property after depreciation	**307.82**	**279.50**

*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

(ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 40 (ii) for details on future minimum lease rentals.

(iii) Fair value of investment property:

Particulars	March 31, 2026	March 31, 2025
Fair value	850.52	830.38

The Company obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Company considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 4 INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Total
Gross block			
As at April 01, 2024	386.23	494.16	880.39
Additions	4.39	29.78	34.17
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	**385.36**	**523.94**	**909.30**
Additions	28.84	-	28.84
Disposals	(5.71)	-	(5.71)
Balance as at March 31, 2026	**408.49**	**523.94**	**932.43**
Accumulated amortization			
As at April 01, 2024	356.83	467.19	824.02
Amortization charge for the year	10.30	46.33	56.63
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	**361.87**	**513.52**	**875.39**
Amortization charge for the year	12.09	10.42	22.51
Disposals	(5.71)	-	(5.71)
Balance as at March 31, 2026	**368.25**	**523.94**	**892.19**
Net block as at March 31, 2026	**40.24**	**-**	**40.24**
Net block as at March 31, 2025	**23.49**	**10.42**	**33.91**

Notes:

(i) Research and development expenses

Refer note 42 for expenses incurred on research and development activities.

NOTE - 5 INVESTMENTS

		As at March 31, 2026	As at March 31, 2025
A	**Investments**		
(i)	**Investments in equity instruments**		
	Joint ventures*		
	(Unquoted, at cost)		
	Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2025: 11,780,000 shares) of ₹ 10 each	1,178.00	1,178.00
	Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2025: 9,500,000 shares) of ₹ 10 each	950.00	950.00
	Others^		
	(Unquoted, at fair value through other comprehensive income)		
	QH Talbros Private Limited 177,962 shares (March 31, 2025: 177,962 shares) of ₹ 10 each	245.59	240.57
	Talbros International Private Limited 1,326,970 shares (March 31, 2025: 1,326,970 shares) of ₹ 10 each	15,392.85	14,128.78
	T & T Motors Limited 83,333 shares (March 31, 2025: 83,333 shares) of ₹ 10 each	225.83	170.38
	Clean Max Kaziranga P.Ltd. 55,960 (March 31, 2025: Nil) of ₹10 each	353.67	-

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 5 INVESTMENTS (C0NTD.)

	As at March 31, 2026	As at March 31, 2025
Others		
(Unquoted, at fair value through profit and loss)		
Caparo Power Limited 2378 equity shares of ₹ 42.04 each	1.00	1.00
	18,346.94	**16,668.73**
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of unquoted investments	18,346.94	16,668.73
Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2026	As at March 31, 2025
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

*Equity investments in joint ventures are measured at cost as per the provisions of Ind AS 27 on ‘Separate Financial Statements’.

^The Company holds investment in unquoted equity instruments that are not held for trading but are maintained for medium to long-term strategic purposes. Due to the absence of an active market and the wide range of possible fair value measurements, determining a reliable fair value is impracticable. Furthermore, the cost of obtaining such fair value information would outweigh the benefits to users of the financial statements. Accordingly, cost has been considered the best estimate of fair value.

NOTE - 6 LOANS - CURRENT

(Unsecured, considered good)

Inter-corporate deposits	45.85	158.46
	45.85	**158.46**

NOTE - 7

A Other financial assets - non-current

(Unsecured, considered good)

Security deposits	275.72	264.40
Bank deposits with more than 12 months maturity*	448.85	2,854.08
	724.57	**3,118.48**

**Under lien with banks amounting to ₹ 6.24 Lakhs (Previous Year - ₹ 6.04 Lakhs) as security against borrowings.*

B Other financial assets - current

(Unsecured, considered good)

Recoverable from employees	57.47	40.96
Security deposits	25.27	25.27
Derivative assets on forward contracts	-	51.63
Claims and other recoverable	73.60	72.90
	156.34	**190.76**

NOTE - 8

Non-current tax assets	March 31, 2026	March 31, 2025
Advance income tax	2,896.36	2,694.29
Less: Provision for taxation	(2,741.67)	(2,529.10)
	154.69	**165.19**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 9

A Other non-current assets

	March 31, 2026	March 31, 2025
Prepaid expenses	6.40	10.19
Accrued lease income	28.44	35.58
Capital advances	405.81	301.59
	440.65	**347.36**

B Other current assets

Advances to suppliers		
- Considered good	1,099.80	642.55
- Considered doubtful	74.24	56.84
Balance with government authorities		
- Considered good	1,199.18	929.48
- Considered doubtful	225.11	167.45
Prepaid expenses	258.28	156.85
Insurance claim receivables	0.54	11.84
Surplus planned assets	303.39	266.56
Accrued lease income	12.00	1.43
Others	339.10	337.10
	3,511.64	**2,570.10**
Less : Provision for doubtful advances	(299.35)	(224.29)
	3,212.29	**2,345.81**

NOTE - 10 INVENTORIES

(Lower of cost or net realizable value)		
Raw material	5,357.38	4,873.34
Work in progress	4,562.53	4,063.35
Finished goods including stock in trade	3,684.07	3,060.83
Stores and spares	985.35	587.86
	14,589.33	**12,585.38**
i) The above includes goods in transit as under:		
Raw material	1,156.83	1,207.29
Stores and spares	-	-
	1,156.83	**1,207.29**

NOTE - 11 TRADE RECEIVABLES^

Trade receivables - considered good, unsecured	28,220.55	24,569.56
Trade receivables - which have significant increase in credit risk	113.82	88.47
Trade receivables - credit impaired	452.37	455.27
	28,786.74	**25,113.30**
Less: Allowance for expected credit loss	(566.19)	(543.74)
	28,220.55	**24,569.56**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 11 TRADE RECEIVABLES^ (CONTD.)

	March 31, 2026	March 31, 2025
Includes trade receivables from companies in which directors are interested^		
Marelli Talbros Chassis Systems Private Ltd.	22.01	-
Talbros Marugo Rubber Private Limited	8.10	8.19
QH Talbros Private Limited	2,162.08	1,069.58
Talbros Indiparts Private Limited	684.88	665.06

*Refer note 43 for ageing details.

^Refer note 38 for related party transactions

The Company's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 36.

NOTE - 12 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash on hand	10.03	10.41
Balances with banks		
-in current accounts	2,698.84	1,457.97
Deposits with original maturity less than 3 months*	873.92	15.91
	3,582.79	**1,484.29**

NOTE - 13 OTHER BANK BALANCES

Deposits with maturity of not less than 3 months but not more than 12 months	7,358.97	4,335.53
Margin money deposits (under lien with banks)	414.32	463.62
Earmarked balances with banks		
- Unpaid dividend account	22.03	20.93
	7,795.32	**4,820.08**

NOTE - 14 EQUITY SHARE CAPITAL

		As at March 31, 2026		As at March 31, 2025	
		No. of shares	Amount	No. of shares	Amount
i	**Authorised**				
	Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
		10,00,00,000	**2,000.00**	**10,00,00,000**	**2,000.00**
ii	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
		6,17,28,150	**1,234.56**	**6,17,28,150**	**1,234.56**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	Changes during the year	-	-	-	-
	Balance at the end of the year	**6,17,28,150**	**1,234.56**	**6,17,28,150**	**1,234.56**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 14 EQUITY SHARE CAPITAL (CONTD.)

iv Terms/ rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

v Details of equity shares held by shareholders holding more than 5% shares in the Company

	As at March 31, 2026		As at March 31, 2025	
	No. of shares	%	No. of shares	%
Name of the equity shareholders				
Talbros International Private Limited	2,64,77,983	42.89%	2,64,77,983	42.89%

vi There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

vii There are no shares reserved for issue under options or other purpose.

viii The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

NOTE - 15 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
General reserve	998.23	948.23
Retained earnings	49,386.27	41,463.23
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	11,677.69	10,649.31
Total other equity	**66,755.70**	**57,754.28**

Nature and purpose of other reserves

i General reserve

General reserve is created out of the accumulated profits of the Company as per the provisions of Companies Act. The transfers from rentained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

ii Retained earnings

All the profits made by the Company are transferred to retained earnings from statement of profit and loss.

iii Capital reserve

Capital reserve includes the amount of share application money forfeited by the Company.

iv Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with provisions of the Companies Act.

v Equity instruments through other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 16

A Long term borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Term Loans		
From banks - Rupee loan		
- Yes bank	153.20	294.62
- Vehicle Loans	48.21	62.64
	201.41	**357.26**
Amount disclosed under other financial liabilities and Short-term borrowings:		
Current maturity of long-term debts	155.85	166.48
Interest accrued on borrowings	55.14	73.25

Notes:

1. The Company has taken vehicle loans from banks. The amount is secured against moveable fixed assets.
2. Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
3. For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2026	March 31, 2025
Term loans, secured From banks - Rupee loan				
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	March 31, 2026: 8.54% March 31, 2025: 8.00% to 8.15%	48.21	62.64
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	March 31, 2026 - 8.85% to 9.50% March 31, 2025 -8.85% to 9.50%	153.20	294.62
			201.41	**357.26**

		As at March 31, 2026	As at March 31, 2025
B	**Short term borrowings**		
	Current maturity of long-term borrowings	155.85	166.48
	Secured		
	a) Working capital loan from bank		
	HDFC Bank*	3,619.22	3,908.19
	DBS Bank*	-	84.33
	Yes Bank*	300.00	300.00
	Axis Bank*	1,200.00	1,500.00
	Federal Bank *	899.80	1,315.59
	ICICI Bank*	1,114.14	676.41
		7,289.01	**7,951.00**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 16 (CONTD.)

Notes:

*Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank, ICICI Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

Short-term borrowings (excluding current maturities of long-term borrowings)

Particulars	Terms of repayment	Interest Rate	March 31, 2026	March 31, 2025
Working capital loan, secured				
HDFC Bank	Within 365 days	March 31, 2026: 7.75% to 8.64% March 31, 2025: 4.96% to 8.71%	3,619.22	3,908.19
DBS Bank	Within 365 days	March 31, 2026: Nil March 31, 2025: 9.05% to 9.60%	-	84.33
Yes Bank	Within 365 days	March 31, 2026: 7.55% to 8.30% March 31, 2025: 6.32% to 8.40%	300.00	300.00
Axis Bank	Within 365 days	March 31, 2026: 7.80% to 8.25% March 31, 2025: 8.17% to 8.35%	1,200.00	1,500.00
Federal Bank	Within 365 days	March 31, 2026: 7.75% to 8.25% March 31, 2025: 6.15% to 8.35%	899.80	1,315.59
ICICI Bank	Within 365 days	March 31, 2026: 7.75% to 8.25% March 31, 2025: 8.20% to 9.25%	1,114.14	676.41
			7,133.16	**7,784.52**

C Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings^	Total
As at March 31, 2025	**1,073.57**	**523.74**	**7,788.15**	**9,385.46**
Cash flow:				
- Proceeds from Borrowings	-			**-**
- Additions	-	-	-	**-**
- Repayment (including matured deposits)	(281.46)	(166.48)	(653.73)	**(1,101.67)**
Other non-cash movements:				
- Accrual of interest on lease liabilities	87.31	-	-	**87.31**
As at March 31, 2026	**879.42**	**357.26**	**7,134.42**	**8,371.10**

^including unclaimed matured deposits

(All amounts in ₹ Lakhs, unless otherwise stated)

	As at March 31, 2026	As at March 31, 2025
NOTE - 17		
A Lease liabilities - non-current		
Lease liabilities	599.63	804.00
	599.63	**804.00**
B Lease liabilities - current		
Lease liabilities	279.79	269.57
	279.79	**269.57**

NOTE - 18		
A Other financial liabilities - non-current		
Security deposits	23.00	48.20
	23.00	**48.20**
B Other financial liabilities - current		
Derivative liability on forward contracts	213.86	-
Interest accrued on borrowings	55.14	73.25
Employee related payables	726.75	609.81
Security deposits	87.48	63.10
Unclaimed dividend	22.03	20.93
Unclaimed matured deposits	1.26	3.63
Other payables	29.65	28.55
	1,136.17	**799.27**

	As at March 31, 2026	As at March 31, 2025
NOTE - 19		
A Provisions - non-current		
Employees' long-term benefits		
Compensated absences	278.09	266.98
	278.09	**266.98**
For movements in each class of provision during the financial year, refer note 41		
B Provisions - current		
Employees' long-term benefits		
Compensated absences	129.35	136.50
	129.35	**136.50**
For movements in each class of provision during the financial year, refer note 41		

NOTE - 20		
Deferred tax liabilities		
Deferred tax liabilities arising on account of :		
Depreciation	575.45	567.00
Equity instruments carried at FVOCI	3,546.67	3234.34
Others	-	-
Deferred tax asset arising on account of :		
Allowance for doubtful debts and advances	217.84	193.30
Disallowances u/s 43B	133.12	127.95
Others	32.07	13.94
	3,739.09	**3,466.15**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 20 (CONTD.)

Particulars	March 31, 2025	Adjusted from Provision for Taxation	Recognized in statement of profit and loss	Recognized in other comprehensive income	March 31, 2025
Deferred tax liability:					
Depreciation	567.00	-	8.45	-	575.45
Equity instruments carried at FVOCI	3,234.34	-	-	312.33	3,546.67
Others	-	-	-	-	-
Deferred tax asset:					
Allowance for doubtful debts and advances	193.30	-	24.54	-	217.84
Disallowances u/s 43B	127.95	-	12.33	-7.16	133.12
Others	13.94	-	18.13	-	32.07
	3,466.15	**-**	**(46.55)**	**319.49**	**3,739.09**

Note:

		March 31, 2026	March 31, 2025
(i)	**Breakup of amounts recognized in statement of profit and loss:**		
	Recognized as part of:	(46.55)	(41.77)
	- Deferred tax	**(46.55)**	**(41.77)**

NOTE - 21

		As at March 31, 2026	As at March 31, 2025
A	**Other non-current liabilities**		
	Deferred income	12.07	16.44
	Advance from customers	32.40	-
		44.47	**16.44**
B	**Other current liabilities**		
	Advance from customers^	325.86	587.07
	Payable to statutory authorities	229.33	125.39
	Deferred income	4.37	4.59
		559.56	**717.05**
	^represents contract liabilities		
	Reconciliation of contract liabilities:		
	Contract liabilities at the beginning of the year	587.07	547.07
	Less: performance obligations satisfied in current year	(348.43)	(90.93)
	Add: advance received during the year	119.62	130.88
	Contract liabilities at the end of the year	**358.26**	**587.02**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 22

Trade payables*

Total outstanding dues of micro enterprises and small enterprises	1,098.75	888.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	18,836.88	16,069.46
	19,935.63	**16,957.83**

**Refer note 38 for related party transactions and note 43 for ageing details.*

The Company has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2026 and March 31, 2025:

Particulars		March 31, 2026	March 31, 2025
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,098.75	888.37
ii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

NOTE - 23 REVENUE FROM OPERATIONS

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations		
Sale of products	81,983.69	77,413.61
Sale of services	75.85	-
Other operating income	4,944.62	5,291.61
	87,004.16	**82,705.22**
Disaggregation of revenue:		
Gaskets	54,339.83	50,726.32
Forgings	27,643.86	26,687.28
Sale of services	75.85	-
Others	4,944.62	5,291.62
	87,004.16	**82,705.22**

Refer material accounting policy for information about the company's performance obligations

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 24 OTHER INCOME

	Year ended March 31, 2026	Year ended March 31, 2025
Interest income on:		
- Inter corporate deposits	10.95	26.07
- Fixed deposits with banks	581.90	565.66
- Other financial assets at amortized cost	9.51	8.60
Dividend income from:		
- Related parties	496.85	473.28
Royalty	147.54	126.91
Lease rentals	324.49	296.16
Net gain on foreign currency transactions	-	199.55
Profit on sale of property, plant and equipment (net)	114.16	158.76
Other non-operating income	302.52	30.62
	1,987.92	**1,885.61**

NOTE - 25 COST OF MATERIALS CONSUMED

	Year ended March 31, 2026	Year ended March 31, 2025
Opening inventory	4,873.34	5,463.24
Add: Purchases	46,305.45	42,467.80
	51,178.79	**47,931.04**
Less: Closing inventory	5,357.38	4,873.34
	45,821.41	**43,057.70**
Cost of raw materials consumed include:		
Tinplate/P.C.R.C.A/steel/copper	9,422.79	9,554.55
Jointing	11,137.26	9,136.52
Forging steels	13,467.30	13,625.97
Bought out auto components and parts	8,026.36	6,924.11
Others	3,767.70	3,816.55
	45,821.41	**43,057.70**

NOTE - 26 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of stock-in-trade		
Dyna bond	396.47	405.92
	396.47	**405.92**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 27 CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Inventories at the end of the year:		
Finished goods (including stock in trade)	3,684.07	3,060.83
Work-in-progress	4,562.53	4,063.35
Inventories at the beginning of the year:		
Finished goods (including stock in trade)	3,060.83	2,827.61
Work-in-progress	4,063.35	3,768.01
Net decrease	**(1,122.42)**	**(528.56)**

NOTE - 28 EMPLOYEE BENEFITS EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Salaries and wages	8,950.16	8,316.22
Contributions to provident and other fund	399.50	345.58
Staff welfare expenses	595.60	564.05
	9,945.26	**9,225.85**

NOTE - 29 FINANCE COSTS

	Year ended March 31, 2026	Year ended March 31, 2025
Interest on borrowings	1,114.71	1,151.45
Interest on lease liabilities	87.32	103.91
Interest on others	4.17	3.66
Other borrowing cost	111.16	110.63
	1,317.36	**1,369.65**

NOTE - 30 DEPRECIATION AND AMORTIZATION EXPENSE

	Year ended March 31, 2026	Year ended March 31, 2025
Depreciation on:		
- Property plant and equipment^	3,291.04	3,169.07
- Investment property	16.67	16.66
Amortization of:		
- Intangible assets	22.51	56.63
	3,330.22	**3,242.36**
Less: depreciation capitalized	61.93	54.55
	3,268.29	**3,187.81**

^Includes depreciation on right of use assets ₹ 251.65 Lakhs (previous year ₹ 251.65 Lakhs)

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 31 OTHER EXPENSES

	Year ended March 31, 2026	Year ended March 31, 2025
Consumption of stores and spares parts	5,792.35	6,348.77
Labour and processing charges	811.63	727.87
Royalty	-	47.63
Power and fuel	3,111.42	2,614.74
Rent	35.97	29.83
Repairs to buildings	49.90	72.90
Repairs to plant & machinery	886.05	672.38
Repairs to other assets	323.73	370.18
Insurance	211.98	200.71
Travelling, tour & conveyance	1,212.89	1,123.68
Sales promotion expenses	195.03	269.05
Packing, freight & forwarding	4,130.00	3,525.80
Rates and taxes	27.46	30.14
Corporate social responsibility expenditure	160.88	129.01
Allowance for doubtful trade receivables/advances	137.66	135.00
Advances written off	-	0.10
Legal and professional	292.08	289.93
Payment to auditors:		
-As Auditors:		
Audit fee	15.84	16.20
Tax audit fee	2.20	2.20
-In other capacity:		
Limited review	3.30	3.30
Other services	6.30	0.30
Out of pocket expenses	2.39	4.00
Donation	13.74	11.76
Net loss on foreign currency transactions	72.24	-
Miscellaneous expenses	805.22	959.71
	18,300.26	**17,585.19**

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Gross amount required to be spent by the Company during the year is ₹ 160.88 Lakhs (March 31, 2025: ₹ 129.01 Lakhs).

b) Amount spent during the financial year ended March 31, 2026 and March 31, 2025 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2026	-	-	-
	March 31, 2025	2.10	-	2.10
Donation paid to charitable trust	March 31, 2026	160.88	-	160.88
	March 31, 2025	126.91	-	126.91

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 32 EXCEPTIONAL ITEMS

Exceptional items	Year ended March 31, 2026	Year ended March 31, 2025
Profit on sale of investment in joint venture	-	-
Less: expenses incurred in relation to the sale of investment	-	-
	-	**-**

NOTE - 33 INCOME TAX

	Year ended March 31, 2026	Year ended March 31, 2025
Tax expense comprises of:		
Current tax	2,741.67	2,529.10
Deferred tax charge	(46.55)	(41.77)
Earlier years tax adjustments (net)	(13.56)	12.69
Income tax expense reported in the statement of profit and loss	**2,681.56**	**2,500.02**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168 % and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**11,065.45**	**10,287.27**
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	2,784.95	2,589.10
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of different rate of tax	(25.10)	(13.14)
Earlier years tax adjustments (net)	(13.56)	12.69
Others	(64.73)	(88.63)
Income tax expense	**2,681.56**	**2,500.02**

NOTE - 34

EARNINGS PER SHARE (EPS)		
Profit attributable to equity shareholders	8,383.89	7,787.25
Profit attributable to equity shareholders adjusted for the effect of dilution	8,383.89	7,787.25
Weighted average number of equity shares for Basic EPS	6,17,28,150	6,17,28,150
Weighted average number of equity shares for Diluted EPS	6,17,28,150	6,17,28,150
(1) Basic*	13.58	12.62
(2) Diluted*	13.58	12.62

*EPS for the previous year has been restated due to adjustment of share split

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 35

Fair value disclosures

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL	-	-	1.00	1.00
Investments at FVOCI	-	-	16,217.94	16,217.94
Total financial assets	**-**	**-**	**16,218.94**	**16,218.94**

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVOCI	-	-	1.00	1.00
Investments at FVOCI	-	-	14,539.73	14,539.73
Derivative assets on forward contracts	-	51.63	-	51.63
Total financial assets	**-**	**51.63**	**14,540.73**	**14,592.36**

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include: - the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025	1% increase in inputs	1% decrease in inputs
Unquoted equity shares	16,217.94	14,539.73	Terminal growth rate	5%	5%	March 31, 2026: ₹ 16,493 Lakhs March 31, 2025: - ₹ 15,050 Lakhs	March 31, 2026: ₹ 15,985 Lakhs March 31, 2025: - ₹ 14,121 Lakhs

**Sensitivity has been considered for mentioned inputs, keeping the other variables constant*

[#]excluding investment in equity shares measured at fair value through profit and loss, as the cost of investment is considered the fair value thereof.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 35 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2026 and March 31, 2025:

Particulars	Equity shares
As at March 31, 2024	**13,838.00**
Disposal during the year	-
Gain recognized in other comprehensive income	701.73
As at March 31, 2025	**14,539.73**
Additions during the year	337.50
Disposal during the year	-
Gain recognized in other comprehensive income	1,340.71
As at March 31, 2026	**16,217.94**

(vi) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2026		March 31, 2025	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	275.72	276.46	264.40	264.40
Other financial assets	Level 3	448.85	448.85	2,854.08	2,854.08
Total financial assets		**724.57**	**725.31**	**3,118.48**	**3,118.48**
Financial liabilities					
Borrowings	Level 3	412.40	412.40	596.99	596.99
Other financial liabilities	Level 3	23.00	23.57	48.20	48.06
Total financial liabilities		**435.40**	**435.97**	**645.19**	**645.05**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Company's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2026 was assessed to be insignificant.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

Particulars	March 31, 2026			March 31, 2025		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial assets						
Investments*	1.00	16,217.94	-	1.00	14,539.73	-
Trade receivables	-	-	28,220.55	-	-	24,569.56
Loans	-	-	45.85	-	-	158.46
Cash and cash equivalents	-	-	3,582.79	-	-	1,484.29
Other bank balances	-	-	7,795.32	-	-	4,820.08
Other financial assets	-	-	579.92	51.63	-	2,967.94
Security deposits	-	-	300.99	-	-	289.67
Total financial assets	**1.00**	**16,217.94**	**40,525.42**	**52.63**	**14,539.73**	**34,290.00**
Financial liabilities						
Borrowings	-	-	7,545.56	-	-	8,381.51
Lease liabilities	-	-	879.42	-	-	1,073.57
Trade payables	-	-	19,935.63	-	-	16,957.83
Other financial liabilities	213.86	-	890.17	-	-	774.22
Total financial liabilities	**213.86**	**-**	**29,250.78**	**-**	**-**	**27,187.13**

*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

(ii) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortized cost, and
- deposits with banks and financial institutions

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2026	March 31, 2025
A: Low	Loans	45.85	158.46
	Other financial assets	880.91	3,257.61
	Cash and cash equivalents	3,582.79	1,484.29
	Other bank balances	7,795.32	4,820.08
B: Medium	Trade receivables	28,786.74	25,113.30

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

b) Expected credit losses

Trade receivables

(i) The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Particulars	March 31, 2026		March 31, 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	28,147.24	639.50	24,745.90	367.40
Expected loss rate	1.91%	4.41%	2.12%	5.34%
Expected credit loss (loss allowance provision)	538.00	28.19	524.11	19.63

(ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2024	**568.99**
Less: Changes in loss allowances	(25.25)
Loss allowance on March 31, 2025	**543.74**
Less: Changes in loss allowances	22.45
Loss allowance on March 31, 2026	**566.19**

Other financial assets measured at amortized cost

Company provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognized on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Financing arrangements

The Company has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
Expiring within one year (cash credit and other facilities)	2,192.61	4,146.67
Expiring beyond one year (bank loans - floating rate)	492.91	492.91

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2026	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,311.33	214.33	-	7,525.66
Security deposit received	87.48	-	23.00	110.48
Trade payable	19,935.63	-	-	19,935.63
Other financial liabilities*	1,048.69	-	-	1,048.69
Total	**28,383.13**	**214.33**	**23.00**	**28,620.46**

March 31, 2025	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,989.80	380.13	16.00	8,385.93
Security deposit received	63.10	31.26	16.94	111.30
Trade payable	16,957.83	-	-	16,957.83
Other financial liabilities*	736.17	-	-	736.17
Total	**25,746.90**	**411.39**	**32.94**	**26,191.23**

*excludes lease liabilities, for maturities of lease liabilities refer note 40 (i) D.

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of any of the Company entities. Considering the low volume of foreign currency transactions, the Company's exposure to foreign currency risk is limited.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2026	March 31, 2025
Import trade payables:		
EURO (in Lakhs)	1.38	3.45
INR (₹ in Lakhs)	150.16	317.66
USD (in Lakhs)	30.02	36.04
INR (₹ in Lakhs)	2,838.86	3,081.48
GBP (in Lakhs)	0.91	-
INR (₹ in Lakhs)	114.58	-
JPY (in Lakhs)	135.45	590.20
INR (₹ in Lakhs)	80.16	335.53
Export trade receivables:		
EURO (in Lakhs)	31.10	34.46
INR (₹ in Lakhs)	3,381.03	3,177.06
USD (in Lakhs)	29.69	30.04
INR (₹ in Lakhs)	2,807.51	2,567.92
GBP (in Lakhs)	0.20	0.16
INR (₹ in Lakhs)	24.63	17.50
AUD (in Lakhs)	0.00	-
INR (₹ in Lakhs)	0.08	-

The Company does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2026	March 31, 2025
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lakhs)	25.00	24.00
INR (₹)	2,796.94	2,262.51

All the above contracts are maturing within one year.

Sensitivity

A reasonably possible strengthening (weakening) of the ` against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Financial assets					
10% movement (previous year 5%)	EURO	(241.77)	(106.99)	241.77	106.99
7% movement (previous year 4%)	USD	1.64	15.37	(1.64)	(15.37)
4% movement (previous year 5%)	YEN	2.40	12.55	(2.40)	(12.55)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 FINANCIAL RISK MANAGEMENT (CONTD.)

(ii) Interest rate risk

The Company's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2026	March 31, 2025
Variable rate borrowing	7,442.21	8,220.56
Fixed rate borrowing	48.21	87.70
Total borrowings	**7,490.42**	**8,308.26**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2026	March 31, 2025
Interest rates – increase by 50 basis points	(27.85)	(30.76)
Interest rates – decrease by 50 basis points	27.85	30.76

iii) Assets

The Company's fixed deposits are carried at amortized cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

iv) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

Particulars	March 31, 2026	March 31, 2025
Investments carried at fair value through other comprehensive income	16,217.94	14,539.73
Investments carried at fair value through statement of profit and loss	1.00	1.00
Total investments	**16,218.94**	**14,540.73**

Sensitivity

Refer note 35(iv) for sensitivity analysis.

NOTE - 37

A Capital management

The Company's capital management objectives are

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 (CONTD.)

of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio at March 31, 2026 was as follows.

Particulars	March 31, 2026	March 31, 2025
Total borrowings	7,545.56	8,381.51
Less : cash and cash equivalents	3,582.79	1,484.29
Net debt	**3,962.77**	**6,897.22**
Total equity	67,990.26	58,988.84
Adjusted net debt to adjusted equity ratio	**0.06**	**0.12**

B Dividend

Particulars	March 31, 2026	March 31, 2025
Proposed dividend		
Proposed dividend for the year ended March 31, 2026 - ₹ 0.55 per share (March 31, 2025 -₹ 0.50 per share)	339.50	308.64
Final dividend paid		
Final and interim dividend paid during the year ended March 31, 2026 - ₹ 0.70 per share (March 31, 2025 - ₹ 0.70 per share)	432.11	432.09

NOTE - 38

Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:

Jointly controlled entities

(i) Marelli Talbros Chassis Systems Private Limited

(ii) Talbros Marugo Rubber Private Limited

Investing party in respect of which the Company is a subsidiary

(i) Talbros International Private Limited

Key management personnel and their relatives

(i) Mr. Naresh Talwar

(ii) Mr. Umesh Talwar

(iii) Mr. Varun Talwar

(iv) Mr. Anuj Talwar

(v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)

(vi) Mr. Vidur Talwar

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 38 (CONTD.)

(vii) Mr. Navin Juneja

(viii) Mr. Rakesh Vohra

(ix) Mr. Tarun Singhal

(x) Ms. Priyanka Gulati

(xi) Mr. Ajay K. Vij

(xii) Mr. Deepak Jain

(xiii) Mr. Manish Khanna - Chief Financial Officer

(xiv) Ms. Seema Narang - Company Secretary

Fellow Subsidiaries

(i) QH Talbros Private Limited

(ii) Talbros Indiparts Private Limited

(ii) Transactions with related parties carried out in the ordinary course of business:

(a) Transactions with joint ventures and fellow subsidiaries :

S. No.	Particulars	2025-26	2024-25
1	**Sale of goods**		
	QH Talbros Private Limited	7,536.99	7,324.66
	Talbros Indiparts Private Limited	3,620.16	3,735.42
	Talbros Marugo Rubber Private Limited	0.16	63.89
2	**Sale of services**		
	Talbros Marugo Rubber Private Limited	35.40	35.40
3	**Royalty income**		
	QH Talbros Private Limited	135.71	122.39
	Talbros Indiparts Private Limited	31.56	27.36
4	**Lease rental income**		
	Marelli Talbros Chassis Systems Private Limited	241.22	229.73
	Talbros Indiparts Private Limited	18.93	18.03
5	**Reimbursement of expenses/payments**		
	Marelli Talbros Chassis Systems Private Limited	168.56	142.88
	Talbros Marugo Rubber Private Limited	-	5.09
	Talbros International Private Limited	65.41	11.52
	QH Talbros Private Limited	10.06	1.85
	Talbros Indiparts Private Limited	13.25	23.60
6	**Dividend paid**		
	Talbros International Private Limited	185.35	185.35
9	**Dividend received**		
	Talbros International Private Limited	265.39	265.39
	QH Talbros Private Limited	80.08	80.08
	Marelli Talbros Chassis Systems Private Limited	141.36	117.80

Note: All transactions are inclusive of taxes, wherever applicable

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 38 (CONTD.)

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortization.

S. No.	Balance Outstanding at the end of the year	March 31, 2026	March 31, 2025
1	**Outstanding balance included in financial assets (Trade receivable and other recoverable)**		
	Talbros Marugo Rubber Private Limited	8.10	8.19
	QH Talbros Private Limited	2,162.08	1,069.58
	Marelli Talbros Chassis Systems Private Limited	22.01	11.24
	Talbros Indiparts Private Limited	684.88	665.06
2	**Outstanding balance included in financial liabilities**		
	Marelli Talbros Chassis Systems Private Limited	22.26	22.26

(b) Transactions with key management personnel and their relatives:

S. No.	Particulars	2025-26	2024-25
1	**Remuneration**		
	Short-term employee benefits		
	Mr. Umesh Talwar	181.80	181.80
	Mr. Anuj Talwar	181.80	181.80
	Mr. Manish Khanna	58.52	58.71
	Ms. Seema Narang	39.75	39.99
	Other long-term benefits		
	Mr. Umesh Talwar	(1.26)	(0.02)
	Mr. Anuj Talwar	1.17	1.15
	Mr. Manish Khanna	(4.94)	5.51
	Ms. Seema Narang	(0.88)	0.68
	Post-employment benefits		
	Mr. Umesh Talwar	18.08	18.08
	Mr. Anuj Talwar	22.42	21.28
	Mr. Manish Khanna	5.12	3.77
	Ms. Seema Narang	4.10	4.37
	Fee for attending board & committee meetings to all the KMP's	27.20	21.45
2	**Rent paid**		
	Mrs. Kum Kum Talwar	7.20	7.20

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 39

Contingent liabilities and commitments (to the extent not provided for)

A Contingent liabilities

(1) Claims against the Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2026	March 31, 2025
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	37.73	5.34
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lakhs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	37.74	37.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
Total		**448.92**	**416.53**

*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 175.69 Lakhs (March 31, 2025: ₹140.21 Lakhs).

B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 409.76 Lakhs (March 31, 2025: ₹ 529.53 Lakhs).

NOTE - 40

(i) Leases disclosure as lessee

Operating leases

A The Company has taken residential/commercial premises on lease. There are no restrictions placed upon the Company by entering into these leases and there are no subleases. The Company is prohibited from selling or pledging the underlying leased assets as security.

B Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2026	March 31, 2025
Non-curent	599.63	804.00
Current	279.79	269.57
Total	**879.42**	**1,073.57**

C The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	2-7	4.63
Land	2	66-72	69.20

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 40 (CONTD.)

D Future minimum lease payments as on March 31, 2026 are as follows:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Minimum lease payments due						
Within 1 year	292.45	68.91	223.54	281.46	87.31	194.15
1-5 years	675.00	84.45	590.55	923.49	145.86	777.63
5 years or more	69.79	4.46	65.33	113.75	11.96	101.79
	1,037.24	**157.82**	**879.42**	**1,318.70**	**245.13**	**1,073.57**

E Lease payments not recognized as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2026	March 31, 2025
Short term leases	35.97	29.83
Leases of low value assets	-	-
Variable lease payments	-	-
Total	**35.97**	**29.83**

F Additional information on the right-of-use assets by class of assets is as follows:

Particulars	Carrying amount	Depreciation expense
As on March 31, 2025		
Building	1,029.47	247.05
Land	337.57	4.60
	1,367.04	**251.65**
As on March 31, 2026		
Building	782.42	247.05
Land	332.97	4.60
	1,115.39	**251.65**

(ii) Leases disclosure as lessor

Operating leases

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹324.49 Lakhs (March 31, 2025: ₹296.16 Lakhs) on such lease is included in other income. Lease income is recognized in the statement of profit and loss under “Other income” (refer note 24). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2026	March 31, 2025
Within one year	320.55	316.46
Later than one year but not later than five years	448.94	740.72
Later than five years	40.84	37.04

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41

Employee benefits

1 Defined contribution plans:

A The Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Company:

Provident Fund Plan & Employee Pension Scheme: The Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

Superannuation Scheme: The Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

B The expense recognized during the period towards defined contribution plans are as follows:

Particulars	**March 31, 2026**	**March 31, 2025**
(a) Employer's contribution to Provident fund & other funds	364.41	268.28
(b) Employer's contribution to superannuation fund	6.67	7.00

2 Other Long Term Employee Benefits

A Compensated absences- Earned leave

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognized in the balance sheet

Particulars	**March 31, 2026**	**March 31, 2025**
Present value of obligation at the end of the year	407.44	403.48
Fair value of plan assets	-	-
Unfunded liability recognized in balance sheet	(407.44)	(403.48)

ii) Expenses recognized in statement of profit and loss

Particulars	**March 31, 2026**	**March 31, 2025**
Current service cost	123.58	130.07
Interest cost	25.02	22.55
Past service cost	18.04	-
Actuarial (gain)/loss net on account of:		
-Changes in demographic assumptions	-	-
-Changes in financial assumptions	(23.69)	2.45
-Changes in experience adjustment	(53.96)	(30.85)
Cost recognized during the year	**88.99**	**124.22**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41 (CONTD.)

iii) Movement in the liability recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of defined benefit obligation at the beginning of the year	403.48	344.62
Current service cost	123.58	130.07
Past service cost	18.04	-
Interest cost	25.02	22.55
Actuarial (gain)/loss net	(77.65)	(28.40)
Benefits paid	(85.03)	(65.36)
Present value of defined benefit obligation at the end of the year	**407.44**	**403.48**

iv) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2026	March 31, 2025
Discount rate	7.80%	6.93%
Salary escalation rate	5.5/20%	5.5/20%
Retirement Age (Years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

3 Defined benefit plans:

A Gratuity

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognized in the balance sheet

Particulars	March 31, 2026	March 31, 2025
Present value of obligation at the end of the year	1,040.94	942.82
Fair value of plan assets	1,344.33	1,209.38
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognized in balance sheet	303.39	266.56

ii) Expenses recognized in other comprehensive income

Particulars	March 31, 2026	March 31, 2025
Return on plan assets	(6.17)	(4.61)
Actuarial (gain)/loss on PBO	(22.25)	13.52
(Gain)/expenses recognized in other comprehensive income	**(28.42)**	**8.91**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41 (CONTD.)

iii) Actuarial (gain)/loss on obligation

Particulars	March 31, 2026	March 31, 2025
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(63.93)	20.40
- Changes in experience adjustment	41.68	(6.88)

iv) Expenses recognized in statement of profit and loss

Particulars	March 31, 2026	March 31, 2025
past service cost	55.30	-
Current service cost	46.20	76.68
Interest cost (net)	(21.50)	(19.17)
Cost recognized during the year	**80.00**	**57.51**

*The Government of India has notified four new Labour Codes subsuming 29 legislations relating thereto effective November 21, 2025, however, the supporting rules are yet to be notified. The Company has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an incremental liability on account of past service cost in accordance with IND AS 19 - Employee Benefits on account of gratuity amounting to ₹ 55.30 lakhs and leave encashment of ₹ 18.04 lakhs has been charged to the Profit and Loss Account for the year ended March 31, 2026. The Company continues to monitor developments relating to the implementation of the New Labour Codes and will review its estimates and assumptions on an ongoing basis.

v) Movement in the liability recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of defined benefit obligation at the beginning of the year	942.82	854.81
Current service cost	46.20	76.68
Interest cost	63.69	59.57
Past service cost	55.30	
Actuarial (gain)/loss net	(22.25)	13.52
Benefits paid	(44.82)	(61.76)
Present value of defined benefit obligation at the end of the year	**1,040.94**	**942.82**

vi) Movement in the fair value of plan assets recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of plan assets at the beginning of the year	1,209.38	1,072.18
Return on plan assets	91.37	83.35
Contributions by employer	88.40	115.61
Benefits paid during the year	(44.82)	(61.76)
Present value of plan assets at the end of the year	**1,344.33**	**1,209.38**

vii) (a) For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	March 31, 2026	March 31, 2025
Discount rate	7.80%	6.93%
Salary escalation rate	5.5/20%	5.5/20%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41 (CONTD.)

vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2026	For the year ended March 31, 2025	March 31, 2026	March 31, 2025
April 2026- March 2027	April 2025- March 2026	270.20	237.52
April 2027- March 2031	April 2026- March 2030	248.64	217.40
April 2031- March 2036	April 2030- March 2035	372.60	301.40
April 2036 onwards	April 2035 onwards	1,125.14	996.13

vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)

For the year ended March 31, 2026	For the year ended March 31, 2025	March 31, 2026	March 31, 2025
April 2026- March 2027	April 2025- March 2026	271.98	239.14
April 2027- March 2031	April 2026- March 2030	311.26	272.66
April 2031- March 2036	April 2030- March 2035	659.10	546.29
April 2036 onwards	April 2035 onwards	4,001.69	3,296.88

viii) Sensitivity analysis for defined benefit obligation

Particulars	March 31, 2026	March 31, 2025
a) Impact of the change in discount rate		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	976.58	879.96
Impact due to decrease of 1.00 %	1,114.18	1,014.88
b) Impact of the change in salary increase		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	1,141.13	1,034.59
Impact due to decrease of 1.00 %	957.91	864.05

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2026 is 16.40 years (March 31, 2025: 16.52 years).

NOTE - 42

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2026 is ₹ 290.57 Lakhs (Revenue of ₹ 290.57 Lakhs, Capital Nil),March 31, 2025: ₹ 322.41 Lakhs. (Revenue of ₹ 306.91 Lakhs, Capital ₹15.50 Lakhs).

NOTE - 43

Disclosures as per the requirements of Division II of Schedule III to the Act

A Ageing schedule of capital work-in-progress

March 31, 2026	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,589.64	556.84	26.40	-	**2,172.88**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,175.73	93.15	3.01	1.80	**2,273.69**

B Ageing schedule of trade receivables

March 31, 2026	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	19,347.43	8,006.23	793.58	187.13	-	-	28,334.37
Undisputed trade receivables - credit impaired	-	-	-	344.38	13.54	94.45	452.37
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	**19,347.43**	**8,006.23**	**793.58**	**531.51**	**13.54**	**94.45**	**28,786.74**
Less: Allowance for expected credit loss							566.19
Total							**28,220.55**

March 31, 2025	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	18,964.28	5,242.54	451.21	-	-	-	24,658.03
Undisputed trade receivables - credit impaired	-	-	87.87	34.17	99.51	233.72	455.27
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	**18,964.28**	**5,242.54**	**539.08**	**34.17**	**99.51**	**233.72**	**25,113.30**
Less: Allowance for expected credit loss							543.74
Total							**24,569.56**

C Ageing schedule of trade payables

March 31, 2026	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	1,098.75	-	-	-	-	1,098.75
Others	15,476.33	3,216.07	126.26	16.73	1.49	18,836.88
Total	**16,575.08**	**3,216.07**	**126.26**	**16.73**	**1.49**	**19,935.63**

March 31, 2025	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	888.37	-	-	-	-	888.37
Others	13,142.10	2,901.40	21.44	1.92	2.60	16,069.46
Total	**14,030.47**	**2,901.40**	**21.44**	**1.92**	**2.60**	**16,957.83**

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

D Details of promoter shareholding

Name of promoter	March 31, 2026			March 31, 2025		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbros International Private Limited	2,64,77,983	42.89%	0.00%	2,64,77,983	42.89%	0.00%

E Details related to borrowings secured against current assets

The Company had given current assets (trade receivables and inventories) as security for working capital limits obtained from multiple banks. The Company submitted the required information with the bank and the required reconciliation is presented below:

Particulars	Quarter	Amount as per books	Amount reported to the bank	Difference	Remarks
Trade receivable (gross balance)	Jun-25	27,598.77	28,713.29	(1,114.52)	Variance is not material.
Inventories	Jun-25	13,611.69	13,542.26	69.43	Variance is not material.
Trade receivable (gross balance)	Sep-25	28,267.39	30,365.08	(2,097.69)	Variance is not material.
Inventories	Sep-25	13,634.47	13,791.33	(156.86)	Variance is not material.
Trade receivable (gross balance)	Dec-25	28,726.02	29,631.15	(905.13)	Variance is not material.
Inventories	Dec-25	14,296.14	14,011.97	284.17	Variance is not material.
Trade receivable (gross balance)	Mar-26	28,786.74	30,544.12	(1,757.38)	Variance is not material.
Inventories	Mar-26	14,589.33	14,563.94	25.39	Variance is not material.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

F Information about Supplier Finance Arrangements

Particulars	March 31, 2026	March 31, 2025
1. Carrying amount of liabilities that are part of supplier finance arrangements		
(a) Presented within borrowings	-	-
(b) Presented within trade payables	7,465.07	6,388.62
2. Carrying amount of liabilities for which suppliers have already received payment from finance providers	7,465.07	6,388.62
3. Range of payment due dates		
(a) Liabilities under supplier finance arrangements	150–250 days from invoice date	150–250 days from invoice date
(b) Comparable trade payables not part of supplier finance arrangements	60–90 days from invoice date	60–90 days from invoice date

Additional Information:

1. **Terms and conditions:** Under the arrangements, the finance provider pays the supplier within 5 days of invoice approval. The Company settles the finance provider within 150-250 days from the invoice date, as compared to the normal credit period of 60-90 days agreed with suppliers outside the arrangement. There are no financial covenants or security associated with these arrangements.

2. **Non-cash changes:** There were no material non-cash changes in liabilities under supplier finance arrangements during the year due to arising from foreign exchange movements or other non-cash factors. Payments made by finance providers to suppliers under these arrangements are considered non-cash transactions, with the Company settling the corresponding obligations at a later date through operating cash outflows as part of its normal operating cycle.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

G Financial ratios

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Change	Remarks
				Ratio	Ratio		
Current ratio	Times	Current assets	Current liabilities	1.96	1.72	14.17%	Note 'A' below
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.11	0.14	-21.78%	Note 'A' below
Debt service coverage ratio	Times	Earnings before depreciation and amortization and interest [Profit/loss after tax + Depreciation and amortization expense + Finance costs (excluding interest on lease liabilities)]	Interest expense (including capitalized) + Principal repayment (including prepayments)	6.30	7.26	-13.24%	Note 'A' below
Return on equity ratio	Percentage	Profit after tax	Average of total equity	13.21%	14.15%	-6.66%	Note 'A' below
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	3.37	3.41	-1.07%	Note 'A' below
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	3.30	3.63	-9.13%	Note 'A' below
Trade payables turnover ratio	Times	Purchases + other expenses	Average trade payables	3.52	3.59	-1.72%	Note 'A' below
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	3.08	4.28	-28.10%	Note 'B' below
Net profit ratio	Percentage	Profit after tax	Revenue from operations	9.64%	9.42%	2.34%	Note 'A' below
Return on capital employed	Percentage	Earnings before depreciation and amortization, interest and tax = Profit/loss before tax + Depreciation and amortization expense + Finance costs	Capital employed [Total assets - Current liabilities + Current borrowings]	19.52%	20.65%	-5.44%	Note 'A' below

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

Ratio	Measurement unit	Numerator	Denominator	As at March 31, 2026	As at March 31, 2025	Change	Remarks
				Ratio	Ratio		
Return on fixed deposit	Percentage	Interest Income on deposits with Banks and NBFC	Average investment (Fixed Deposit)	6.94%	7.79%	-10.91%	Note 'A' below
Return on investment in equity shares (other than carried at cost)	Percentage	Chage in fair value of investments during the year	Opering market value of the investments	9.11%	5.07%	79.64%	Note 'C' below

Notes:

A Since the change in ratio is less than 25%, no explanation is required to be furnished.

B On account of increase in current assets due to significant increase in current portion of investment in fixed deposit made by the Company.

C On account of increase in the fair value of investments (other than those carried at cost) made by company.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44

Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of "Auto Components". Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented below.

i Information about major customers

There is only two customers that contributes more than 10% of the total revenue from operating activities on an individual basis.

ii Information about geographical areas

Particulars	March 31, 2026	March 31, 2025
Revenue from operations attributed to:		
Country of domicile (India)	62,160.31	57,682.43
Foreign countries	24,843.85	25,022.79
Total	**87,004.16**	**82,705.22**

Note - 45

Disclosure required under Section 186 (4) of The Companies Act, 2013:

(a) Investments made:

Name of the investee	Amount invested during the year 2025-26	Amount as on March 31, 2026	Amount invested during the year 2024-25	Amount as on March 31, 2025
Investment in equity instruments				
Investment in Joint ventures				
(i) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(ii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
Investment in others				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) Clean Max Kaziranga pvt.Ltd.	337.50	337.50	-	-
(iv) T & T Motors Private Limited	-	13.75	-	13.75
(v) Caparo Power Limited	-	1.00	1.00	1.00
Total	**337.50**	**3,122.57**	**1.00**	**2,785.07**

(b) Inter corporate deposits given (proposed to be utilized for business purposes):

Name of the payee	Paid/ (recovered) during the year 2025-26	Outstanding amount as on March 31, 2026*	Paid/ (recovered) during the year 2024-25	Outstanding amount as on March 31, 2025*
(i) Bankey Bihari Engineers LLP	(10.00)	40.00	(25.00)	50.00
(ii) Express Engineers & Spares Private Limited	(85.00)	-	(80.00)	85.00
Total	**(95.00)**	**40.00**	**(105.00)**	**135.00**

*Outstanding amount excludes interest accrued on deposits.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 45 (CONTD.)

(c) Guarantee given (proposed to be utilized for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2026	Outstanding amount as on March 31, 2025
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

NOTE - 46

Disclosure on audit trail

The Company has used one accounting software namely SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2026, In this SAP Business one software has a feature of recording an audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.

NOTE - 47

Additional regulatory information required by Schedule III to the Companies Act, 2013

(i) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

(ii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(iv) The Company has not traded or invested in cryptocurrency or virtual currency during the year.

(v) The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/entities identified in any other manner whatsoever by or on behalf of the Company ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Company does not have any transactions with companies struck off.

Notes to the Standalone Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 47 (CONTD.)

(ix) The Company has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20,2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

INDEPENDENT AUDITOR'S REPORT

To the Members of Talbros Automotive Components Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying Consolidated financial statements of **Talbros Automotive Components Limited** ("the Company") and its jointly controlled entities, which comprise the consolidated Balance Sheet as at March 31, 2026, the consolidated Statement of Profit and Loss (including other comprehensive income), the consolidated Statement of Changes in Equity and the consolidated Statement for Cash Flow for the year ended on that date, and notes to the financial statement including summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of the affairs of the company and its jointly controlled entities as at March 31, 2026, its consolidated profit and total comprehensive income, its consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company and its jointly controlled entities in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	***Valuation Of complex instruments involving high estimation uncertainty*** The Company has material long-term investments in group companies which are un-quoted.	***Principal Audit Procedures*** We have verified the company's shareholding in the investment in equity instruments which are fair valued by the company. We have verified the reasonableness of the assumptions used and the valuation technique used to determine the fair value.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Corporate Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT (Contd.)

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the company and its jointly controlled entities in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and its jointly controlled entities and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors and management of the Company and its jointly controlled entities are responsible for assessing the company and its jointly controlled entities' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company and its jointly controlled entities or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the company and its jointly controlled entities are also responsible for overseeing the financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Our Objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing

our opinion on whether the company and its jointly controlled entities which is a company incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the company and its jointly controlled entities to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the company and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the company of which we are the independent auditor and such other entities included in the statement regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

The consolidated financial statements include the company's share of net profit (including other comprehensive income) of Rs. 2,171.35 lakhs for the year ended March 31, 2026, in respect of jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1) As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by the law relating to the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

(c) The consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act, read with relevant rules issued there under.

(e) On the basis of written representations received as on March 31, 2026, taken on record by the Board of Directors of the company and its jointly controlled entities incorporated in India, none of the directors is disqualified as on March 31, 2026, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its Jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to the consolidated financial statements of those companies.

(g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. However, the provisions of section 197 of the Act are not applicable to jointly controlled entities.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Company and its jointly controlled entities. (Refer Note 41(i) and 42 to the consolidated financial statements).

(ii) The Company and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its jointly controlled entities during the year ended March 31, 2026.

(iv) (a) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such jointly controlled entities to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Company and its jointly controlled entities which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such jointly controlled entities from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such jointly controlled entities shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) As stated in Note 38(B) to the consolidated financial statements:

(a) The final dividend proposed in the previous year, declared and paid by the Company and one of its joint venture during the year, is in accordance with Section 123 of the Act, as applicable.

(b) The interim dividend declared and paid by the Company during the year complies with Section 123.

(c) The Board of Directors of the Company have proposed a final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

(vi) Based on our examination, which included test checks, the Company has used accounting software namely SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of the audit trail feature

INDEPENDENT AUDITOR'S REPORT (Contd.)

being tampered with. Further, the audit trail has been preserved by the company as per the statutory requirements for record retention.

Further, its joint ventures incorporated in India have used accounting software for maintaining their respective books of account for the financial year ended March 31, 2026, which has a feature of recording audit trail (edit log) facility and has operated throughout the year for all relevant transactions recorded in the software and the audit trail to the extent it operated as stated above , has been preserved by the company as per the statutory requirements for record retention.

2) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 issued by the Central Government in terms of Section 143(11) of the Act, to be included in Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its jointly controlled entities included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

(Piyush Tripathi)
Partner
Membership No. 524288
UDIN: 26524288FNGGMF7839
Place : Gurugram
Dated: May 20, 2026

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirement’s section of our report to the Members of Talbros Automotive Components Limited of even date)

Report on the Internal Financial Controls with reference to Consolidated Financial Statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2026, we have audited the internal financial controls with reference to Consolidated Financial Statements of **Talbros Automotive Components Limited** (hereinafter referred to as “the Company”) and its jointly controlled entities, which are companies incorporated in India, as of that date.

MANAGEMENT’S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective board of Directors of the Company and its jointly controlled entities which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (“The ICAI”).

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR’S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over the financial reporting of the company and its jointly controlled entities, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the Consolidated Financial Statements of the company and its jointly controlled entities, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit the preparation of financial statements in accordance with generally

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT (Contd.)

accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding the prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements in future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the Company and its jointly controlled entities, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to Consolidated Financial Statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to audited financial statements of jointly controlled entities, incorporated in India, is based on the corresponding reports of the auditor of such jointly controlled entities incorporated in India.

For J. C. Bhalla & Co.
Chartered Accountants
Firm's Registration No. 001111N

(Piyush Tripathi)
Partner
Membership No. 524288
UDIN: 26524288FNGGMF7839
Place : Gurugram
Dated: May 20, 2026

talbros

CONSOLIDATED BALANCE SHEET

as at March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	March 31, 2026	March 31, 2025
Assets			
Non-current assets			
Property, plant and equipment	2	22,490.87	21,768.57
Capital work in progress	2	2,172.88	2,273.69
Investment property	3	232.15	248.82
Intangible assets	4	40.24	33.91
Investments accounted for using the equity method	5	8,432.93	6,402.93
Financial assets			
Investments	6	16,218.94	14,540.73
Other financial assets	8A	724.57	3,118.48
Non-current tax assets	9	154.69	165.19
Other non-current assets	10A	440.65	347.36
Total non-current assets		**50,907.92**	**48,899.68**
Current assets			
Inventories	11	14,589.33	12,585.38
Financial assets			
Trade receivables	12	28,220.55	24,569.56
Cash and cash equivalents	13	3,582.79	1,484.29
Other bank balances	14	7,795.32	4,820.08
Loans	7A	45.85	158.46
Other financial assets	8B	156.34	190.76
Other current assets	10B	3,212.29	2,345.81
Total current assets		**57,602.47**	**46,154.34**
Total assets		**1,08,510.39**	**95,054.02**
Equity and liabilities			
Equity			
Equity share capital	15	1,234.56	1,234.56
Other equity	16	73,060.63	62,029.21
Total equity		**74,295.19**	**63,263.77**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17A	201.41	357.26
Lease liabilities	18A	599.63	804.00
Other financial liabilities	19A	23.00	48.20
Provisions	20A	278.09	266.98
Deferred tax liabilities	21	3,739.09	3,466.15
Other non-current liabilities	22A	44.47	16.44
Total non-current liabilities		**4,885.69**	**4,959.03**
Current liabilities			
Financial liabilities			
Borrowings	17B	7,289.01	7,951.00
Lease liabilities	18B	279.79	269.57
Trade payables	23		
(i) total outstanding dues of micro enterprises and small enterprises		1,098.75	888.37
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		18,836.88	16,069.46
Other financial liabilities	19B	1,136.17	799.27
Other current liabilities	22B	559.56	717.05
Provisions	20B	129.35	136.50
Total current liabilities		**29,329.51**	**26,831.22**
Total equity and liabilities		**1,08,510.39**	**95,054.02**
The accompanying notes form an integral part of these financial statements	1-50		

This is the balance sheet referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20, 2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Umesh Talwar
Chairman
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Note	Year ended March 31, 2026	Year ended March 31, 2025
Revenue			
Revenue from operations	24	87,004.16	82,705.22
Other income	25	1,846.56	1,767.81
Total income		**88,850.72**	**84,473.03**
Expenses			
Cost of materials consumed	26	45,821.41	43,057.70
Purchase of stock-in-trade	27	396.47	405.92
Changes in inventories of finished goods, stock in trade and work in progress	28	(1,122.42)	(528.56)
Employee benefits expenses	29	9,945.26	9,225.85
Finance costs	30	1,317.36	1,369.65
Depreciation and amortization expense	31	3,268.29	3,187.81
Other expenses	32	18,300.26	17,585.19
Total expenses		**77,926.63**	**74,303.56**
Profit before exceptional items and tax		**10,924.09**	**10,169.47**
Exceptional items	33	-	-
Profit before share of profit in joint ventures and tax		**10,924.09**	**10,169.47**
Share of profit of joint ventures accounted for using the equity method		2,168.47	1,773.82
Profit before tax		**13,092.56**	**11,943.29**
Tax expense	34		
Current tax		2,741.67	2,529.10
Deferred tax		(46.55)	(41.77)
Earlier years tax adjustments (net)		(13.56)	12.69
Total tax expense		**2,681.56**	**2,500.02**
Profit for the year		**10,411.00**	**9,443.27**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		28.42	(8.92)
Changes in fair value of FVOCI equity instruments		1,340.71	701.73
Share of other comprehensive income of joint ventures accounted for using the equity method		2.88	2.90
Income tax relating to items that will not be reclassified to profit or loss		(319.49)	(161.23)
Total other comprehensive income for the year		**1,052.52**	**534.48**
Total comprehensive income for the year		**11,463.52**	**9,977.75**
Earnings per equity share (Face value ₹ 2 per share)	35		
Basic (₹)		16.87	15.30
Diluted (₹)		16.87	15.30
The accompanying notes form an integral part of these financial statements	1-49		

This is the statement of profit or loss referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20, 2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

A EQUITY SHARE CAPITAL

Particulars	Balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
Equity share capital	1,234.56	-	1,234.56	-	1,234.56

B OTHER EQUITY

Particulars	Reserves and surplus				Equity instruments through Other Comprehensive Income	Total
	General reserve	Capital reserve	Securities premium	Retained earnings		
Balance as at March 31, 2024	**898.23**	**15.21**	**4,678.30**	**36,780.75**	**10,111.06**	**52,483.55**
Profit for the year	-	-	-	9,443.27	-	9,443.27
Other comprehensive income for the year (net of tax impact)	-	-	-	(6.67)	538.25	531.58
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	2.90	-	2.90
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						**-**
- Dividend paid during the year	-	-	-	(432.09)	-	(432.09)
Balance as at March 31, 2025	**948.23**	**15.21**	**4,678.30**	**45,738.15**	**10,649.31**	**62,029.21**
Profit for the year	-	-	-	10,411.00	-	10,411.00
Other comprehensive income for the year (net of tax impact)	-	-	-	21.26	1,028.38	1,049.64
Share of other comprehensive income of joint ventures accounted for using the equity method	-	-	-	2.88	-	2.88
Transfer	50.00	-	-	(50.00)	-	-
Transactions with owners, recorded directly in equity						
- Dividend paid during the year	-	-	-	(432.11)	-	(432.11)
Balance as at March 31, 2026	**998.23**	**15.21**	**4,678.30**	**55,691.19**	**11,677.69**	**73,060.63**

This is the statement of changes in equity referred to in our report of even date

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per Piyush Tripathi
Partner
Membership No. 524288

Place: Gurugram
Date: May 20, 2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Umesh Talwar
Chairman
[DIN: 00059271]

Manish Khanna
Chief Financial Officer

Seema Narang
Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW

for the year ended March 31, 2026

(All amounts in ₹ Lakhs, unless otherwise stated)

	Particulars	Year ended March 31, 2026	Year ended March 31, 2025
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	13,092.56	11,943.29
	Adjustments for:		
	Depreciation on property, plant and equipment, investment property and intangible assets	3,268.29	3,187.81
	Profit on sale of property, plant and equipment (net)	(114.16)	(158.76)
	Interest income	(602.36)	(600.33)
	Dividend income	(355.49)	(355.48)
	Share of profit of joint ventures	(2,168.47)	(1,773.82)
	Allowance for doubtful debts (net)	137.66	135.00
	Unrealized foreign exchange gain	(112.75)	(130.30)
	Exceptional items		
	Advances written off	40.15	96.01
	Provisions no longer required written back	(40.15)	(95.90)
	Finance costs	1,317.36	1,369.65
	Operating profit before working capital changes	**14,462.64**	**13,617.17**
	Movement in working capital		
	Change in inventories	(2,003.95)	91.82
	Change in Trade receivables, other financial and non-financial assets	(4,473.52)	(3,511.16)
	Change in Trade payable, other financial and non-financial liabilities	3,199.90	185.78
	Cash generated from operating activities post working capital changes	**11,185.07**	**10,383.61**
	Income tax paid (net)	(2,717.61)	(2,381.68)
	Net cash generated from operating activities (A)	**8,467.46**	**8,001.93**
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment, intangible assets (including capital work-in-progress)	(4,148.64)	(5,378.42)
	Proceeds from sale of property, plant and equipment	279.14	313.18
	Purchase of non-current investments	(337.50)	(1.00)
	Movement in other bank balances	(501.98)	(209.06)
	Proceeds from intercorporate deposits	95.00	105.00
	Dividend received	496.85	473.28
	Interest received	524.81	231.65
	Net cash used in investing activities (B)	**(3,592.32)**	**(4,465.37)**
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from borrowings	-	108.66
	Repayment of borrowings	(820.21)	(424.74)
	Payment towards lease liabilities	(281.46)	(280.62)
	Dividend paid	(431.00)	(436.24)
	Interest paid	(1,243.97)	(1,255.38)
	Net cash used in financing activities (C)	**(2,776.64)**	**(2,288.32)**
	Increase/ (decrease) in cash and cash equivalents (A+B+C)	2,098.50	1,248.24
	Cash and cash equivalents at the beginning of the year	1,484.29	236.05
	Cash and cash equivalents at the end of the year (Refer note 13)	**3,582.79**	**1,484.29**

This is the statement of cash flow referred to in our report of even date.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20, 2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

1. CORPORATE INFORMATION

Talbros Automotive Components Limited (the 'Holding Company') is a public limited company with its joint ventures (collectively referred to as the 'Group'). The Holding Company is incorporated and domiciled in India. The Holding Company's shares are listed with Bombay Stock Exchange and National Stock Exchange. The Group is in the business of manufacturing gaskets, forging, suspension systems, anti-vibration components and hoses. The Holding Company has its registered place of business at 14/1, Mathura Road, P.O Amar Nagar, Faridabad 121003, Haryana, India.

The consolidated financial statements for the year ended March 31, 2026 were authorised and approved by the Board of Directors on May 20, 2026.

1.1 Material Accounting policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 amended from time to time.

The consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plans – plan assets measured at fair value.

b) Basis of consolidation

Joint ventures

Interest in joint venture are accounted for using the equity method, after initially being recognized at cost. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the investee, adjusted where necessary to ensure consistency with the accounting policies of the Group. The consolidated statement of profit and loss (including the other comprehensive income) includes the Group's share of the results of the operations of the investee. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

c) Significant accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 1.5. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

Significant management judgments

Recognition of deferred tax assets - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

Provisions, contingent liabilities and contingent assets – The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

Impairment of financial assets – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding financial assets.

Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Leases – The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Significant estimates

Useful lives of depreciable/amortizable assets – Management reviews its estimate of the useful lives of depreciable/amortizable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

Defined benefit obligation – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability

for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

*Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

e) Inventory

Inventories are valued as follows:

Raw material, stores and spares

Raw materials, stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a first in first out (FIFO) basis. Stores and spares having useful life of more than twelve months are capitalized as "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress and finished goods

Work in progress and finished goods are valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

f) Property, plant and equipment

Recognition and initial measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of repairs and maintenance are recognized in the statement of profit and loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on Plant & Machinery and Computers is provided on straight-line basis and for all other categories of Property, Plant and Equipment, depreciation is provided on written down value method.

Depreciation is provided on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013 except in respect of the following assets, where useful life is different than those prescribed in Schedule II:

Particulars	**Useful life**
Plant and Machinery	22 years
Buildings	30 years
Computers*	6 years
Furniture & fixtures	5 years
Vehicles	10 years
Office Equipment	5 years
Electrical installations	15 years
Mould and dies*	6 years
Tube wells	10 years
Air-conditioning plant	10 years

*Computers and Mould and dies are classified under Plant and Machinery in Note 2 to the financial statements

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

Where, during any financial year, any addition has been made to any asset, or where any asset has been sold, discarded, demolished or destroyed, or significant components replaced; depreciation on such assets is calculated on a pro rata basis as individual assets with specific useful life from the date of such addition or, as the case may be, up to the date on which such asset has been sold, discarded, demolished or destroyed or replaced.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of property, plant and equipment.

g) Intangible assets

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding product development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Subsequent measurement (Amortization and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalized costs are amortized on a straight-line basis over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	**Amortization period**
Computer Software	3-5 years
Technical know how	10 years

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its intangible assets recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of intangible assets.

h) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition the investment properties are stated at cost less accumulated depreciation.

Depreciation is recognized on a straight-line basis to write down the cost less estimated residual value of investment properties other than land.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the period in which the investment property is derecognized.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all its investment properties recognized as at April 01, 2016 measured as per the provisions of previous GAAP and use that carrying value as the deemed cost of investment properties.

i) Leases

Group as a lessee

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Contingent rents are recognized as revenue in the period in which they are earned.

The Group does not have any finance lease as a lessor.

j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

k) Revenue recognition

Revenue arises mainly from the sale of manufactured and traded goods. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured at fair value of the consideration received or receivable, exclusive of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. Revenue is recognized either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the balance sheet. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognizes either a contract asset or a receivable in its balance sheet, depending on whether something other than the passage of time is required before the consideration is due.

The Group applies the revenue recognition criteria to each separately identifiable component of the revenue transaction as set out below:

Sale of goods and services

Revenue from sale of goods is recognized when the control of goods is transferred to the buyer as per the terms of the contract, in an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods. Control of goods refers to the ability to direct the use of and obtain substantially all of the remaining benefits from goods.

Revenue from services is recognized when Group satisfies the performance obligations by transferring the promised services to its customers.

l) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets

i. **Financial assets carried at amortized cost –** A financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. **Financial assets at fair value**

- Investments in equity instruments other than above –Investments in equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group makes irrevocable choice upon initial recognition, on an instrument to instrument basis, to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

  If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

De-recognition of financial assets

A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities, other than derivative liabilities, are subsequently measured at amortized cost using the effective interest method.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Impairment of financial assets

In accordance with Ind AS 109, the Group applies Expected Credit Loss (ECL) model for measurement and recognition of Impairment loss for financial Assets.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive. When estimating the cash flows, the Group considers the following:

- All contractual terms of the Financial Assessments (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

As a practical expedient the Group has adopted ‘simplified approach’ using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on three-years rolling average default rates observed over the expected life of the trade receivables and is adjusted for forward-looking estimates. These average default rates are applied on total credit risk exposure on trade receivables and outstanding for more than one year at the reporting date to determine lifetime Expected Credit Losses.

Other financial assets

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition and if credit risk has increased significantly, impairment loss is provided.

n) Retirement and other employee benefits

Provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. The Group has no obligation other than the contribution payable To the Provided Fund.

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group’s net obligation in respect of the gratuity plan, which is a defined benefit plan, is calculated by estimating the ultimate cost to the entity of the benefit that employees have earned in return for their service in the current and prior periods. This requires an entity to determine how much benefit is attributable to the current and prior periods and to make estimates (actuarial assumptions) about demographic variables and financial variables that will affect the cost of the benefit. The cost of providing benefits under the defined benefit plan is determined using actuarial valuation performed annually by a qualified actuary using the projected unit credit method. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

Compensated absence

Compensated absence, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats compensated absence expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

Other short-term benefits

Expense in respect of other short-term benefits is recognized on the basis of amount paid or payable for the period during which services are rendered by the employees.

o) Taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognized in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealized tax loss are recognized to the extent that it is probable that the underlying tax loss will be utilized against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside statement of profit and loss is recognized outside statement of profit or loss (either in other comprehensive income or in equity).

p) Provisions, contingent liabilities and contingent assets

A provision is recognized when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate required to settle the obligation at the reporting date and adjusted to reflect the current best estimates.

Provisions are discounted to their present values, where the time value of money is material.

Contingent liabilities are disclosed on the basis of judgement of management after a careful evaluation of facts and legal aspects of matter involved.

Contingent assets are disclosed when probable and recognized when the realization of income is virtually certain.

1.2 Other accounting policy information

a) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill and intangible assets that have indefinite lives or that are not yet available for use are tested for impairment annually; their recoverable amount is estimated annually each year at the reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the 'cash-generating unit'). The recoverable amount of an asset or cash-generating unit is the greater of its value in use or its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Intangibles with indefinite useful lives are tested for impairment individually.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis. Impairment losses are recognized in the statement of profit and loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

b) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the leases recognized in accordance with Ind AS 116, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

c) Government grant

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

Grant or subsidy relates to revenue, it is recognized as income on a systematic basis in statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate.

d) Foreign currency transactions

Functional and presentation currency

The financial statements are presented in Indian Rupees (₹), which is also the Holding Company's functional and presentation currency.

Foreign currencies

Initial recognition

Transactions in foreign currencies are initially recorded by the Group at exchange rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in the statement of profit or loss in the year in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognized in Other comprehensive income or profit or loss are also recognized in Other comprehensive income or profit or loss, respectively).

All other exchange differences are charged to the statement of profit and loss.

e) Other income

Dividend income

Dividend income is recognized at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Export incentives

Export incentives are accounted on accrual basis.

f) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

g) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

1.3 Recent accounting pronouncements which are not yet effective

As on date of these consolidated financial statements, Ministry of Corporate Affairs ('MCA') has not issued any standards/amendments to accounting standards, which are effective from April 01, 2025.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 2 PROPERTY, PLANT AND EQUIPMENT

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	Freehold land	Right of use - Land	Right of use - Building	Building	Plant and Machinery	Vehicles	Right of use - vehicles	Furniture & fixtures	Office equipment	Electrical installation	Air-conditioning plant	Tubewell	Total	Capital work in Progress
Gross block														
As at April 01, 2024	693.56	413.99	1,378.49	4,155.45	28,085.54	431.47	27.80	627.69	376.87	1,054.19	43.03	10.52	37,298.60	734.77
Additions	-	-	-	101.39	3,860.79	97.14	-	28.91	46.91	61.34	-	-	4,196.48	2,604.49
Disposals/transfers	-	-	-	-	(456.44)	(65.94)	-	(16.37)	(13.26)	-	-	-	(552.01)	(1,065.57)
Balance as at March 31, 2025	**693.56**	**413.99**	**1,378.49**	**4,256.84**	**31,489.89**	**462.67**	**27.80**	**640.23**	**410.52**	**1,115.53**	**43.03**	**10.52**	**40,943.07**	**2,273.69**
Additions	-	-	-	215.06	3,441.75	91.84	-	220.05	72.38	137.25	-	-	4,178.33	2,470.98
Disposals/transfers	-	-	-	-	(332.50)	(53.17)	-	(8.73)	(0.63)	-	-	-	(395.03)	(2,571.79)
Balance as at March 31, 2026	**693.56**	**413.99**	**1,378.49**	**4,471.90**	**34,599.14**	**501.34**	**27.80**	**851.55**	**482.27**	**1,252.78**	**43.03**	**10.52**	**44,726.37**	**2,172.88**
Accumulated depreciation														
As at April 01, 2024	-	71.82	101.97	1,724.25	12,688.11	238.73	27.80	513.82	278.54	709.12	38.41	10.44	16,403.01	-
Charge for the year	-	4.60	247.05	275.82	2,384.07	56.20	-	59.43	58.49	82.22	1.19	-	3,169.07	-
Disposals	-	-	-	-	(311.47)	(56.45)	-	(16.37)	(13.29)	-	-	-	(397.58)	-
Balance as at March 31, 2025	**-**	**76.42**	**349.02**	**2,000.07**	**14,760.71**	**238.48**	**27.80**	**556.88**	**323.74**	**791.34**	**39.60**	**10.44**	**19,174.50**	**-**
Charge for the year	-	4.60	247.05	289.84	2,497.29	71.01	-	55.13	53.61	71.62	0.89	-	3,291.04	-
Disposals	-	-	-	-	(181.07)	(39.61)	-	(8.73)	(0.63)	-	-	-	(230.04)	-
Balance as at March 31, 2026	**-**	**81.02**	**596.07**	**2,289.91**	**17,076.93**	**269.88**	**27.80**	**603.28**	**376.72**	**862.96**	**40.49**	**10.44**	**22,235.50**	**-**
Net block as at March 31, 2026	**693.56**	**332.97**	**782.42**	**2,181.99**	**17,522.21**	**231.46**	**-**	**248.27**	**105.55**	**389.82**	**2.54**	**0.08**	**22,490.87**	**2,172.88**
Net block as at March 31, 2025	**693.56**	**337.57**	**1,029.47**	**2,256.77**	**16,729.18**	**224.19**	**-**	**83.35**	**86.78**	**324.19**	**3.43**	**0.08**	**21,768.57**	**2,273.69**

(i) Expenditures capitalized in the carrying amount of property, plant and equipment

The Group has capitalized the following expenses under Plant and equipment (dies and moulds):

Nature of expense	March 31, 2026	March 31, 2025
Salaries and wages	201.17	208.94
Depreciation	61.93	54.54
Power and fuel	114.33	119.88
Repairs and maintenance	82.79	78.45
Processing charges and consumable	435.97	505.39
Total	**896.19**	**967.20**

(ii) Contractual obligations

Refer note 42B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) Assets pledged as security

Refer note 17 for disclosure of property, plant and equipment pledged as securities against borrowings.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 3 INVESTMENT PROPERTY

	Land	Building	Total
Gross block			
As at April 01, 2024	**40.77**	512.27	553.04
Additions/transfers	-	-	-
Disposals/assets written off			
Balance as at March 31, 2025	**40.77**	**512.27**	**553.04**
Additions/transfers	-	-	-
Balance as at March 31, 2026	**40.77**	**512.27**	**553.04**
Accumulated depreciation			
As at April 01, 2024	-	287.56	287.56
Charge for the year	-	16.66	16.66
Balance as at March 31, 2025	**-**	**304.22**	**304.22**
Charge for the year	-	16.67	16.67
Balance as at March 31, 2026	**-**	**320.89**	**320.89**
Net block as at March 31, 2026	**40.77**	**191.38**	**232.15**
Net block as at March 31, 2025	**40.77**	**208.05**	**248.82**

(i) Amount recognized in profit and loss for investment property

Particulars	March 31, 2026	March 31, 2025
Rental income	324.49	296.16
Less: direct operating expenses that generated rental income*	-	-
Less: direct operating expenses that did not generate rental income*	-	-
Profit from leasing of investment property before depreciation	**324.49**	**296.16**
Less: depreciation expense	16.67	16.66
Profit from leasing of investment property after depreciation	**307.82**	**279.50**

*Direct operating expenses attributable to investment property cannot be specifically identified with property, although management does not expect them to be material.

(ii) Leasing arrangements

Investment property comprises of a building which is leased to tenant under long-term operating leases with rentals payable monthly. Refer note 43 (ii) for details on future minimum lease rentals.

(iii) Fair value of investment property:

Particulars	March 31, 2026	March 31, 2025
Fair value	850.52	830.38

The Group obtains independent valuation for its investment property at least annually and are considered to be a fair representation at which such properties can be sold in an active market. Fair value measurement has been categorised as Level 3. The best evidence of fair value is current prices in an active market for similar property. Where such information is not available, the Group considers the average price of similar property and appropriate depreciation has been accounted for arriving at fair and reasonable value.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 4 INTANGIBLE ASSETS

Particulars	Computer software	Technical know-how	Total
Gross block			
As at April 01, 2024	386.23	494.16	880.39
Additions	4.39	29.78	34.17
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	**385.36**	**523.94**	**909.30**
Additions	28.84	-	28.84
Disposals	(5.71)	-	(5.71)
Balance as at March 31, 2026	**408.49**	**523.94**	**932.43**
Accumulated amortization			
As at April 01, 2024	356.83	467.19	824.02
Amortization charge for the year	10.30	46.33	56.63
Disposals	(5.26)	-	(5.26)
Balance as at March 31, 2025	**361.87**	**513.52**	**875.39**
Amortization charge for the year	12.09	10.42	22.51
Disposals	(5.71)	-	(5.71)
Balance as at March 31, 2026	**368.25**	**523.94**	**892.19**
Net block as at March 31, 2026	**40.24**	**-**	**40.24**
Net block as at March 31, 2025	**23.49**	**10.42**	**33.91**

Notes:

(i) Research and development expenses

Refer note 45 for expenses incurred on research and development activities.

NOTE - 5 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD^

		As at March 31, 2026	As at March 31, 2025
(i)	**Investments in equity instruments**		
	Joint ventures		
	(Unquoted)		
	Magneti Marelli Talbros Chassis Systems Private Limited 11,780,000 shares (March 31, 2025: 11,780,000 shares) of ₹ 10 each	6,731.77	5,117.59
	Talbros Marugo Rubber Private Limited 9,500,000 shares (March 31, 2025: 9,500,000 shares) of ₹ 10 each	1,701.16	1,285.34
		8,432.93	**6,402.93**
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate amount of unquoted investments	8,432.93	6,402.93
	Aggregate amount of impairment in value of investments	-	-

Name of the Joint ventures	Principle place of business	Ownership interest	
		As at March 31, 2026	As at March 31, 2025
Marelli Talbros Chassis Systems Private Limited	India	50.00%	50.00%
Talbros Marugo Rubber Private Limited	India	50% less one share	50% less one share

^Refer note 41 - Group information for summarised financial information of joint ventures.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 6 INVESTMENTS

		As at March 31, 2026	As at March 31, 2025
(i)	**Investments in equity instruments**		
	(Unquoted, at fair value through other comprehensive income)*		
	QH Talbros Private Limited 177,962 shares (March 31, 2025: 177,962 shares) of ₹ 10 each	245.59	240.57
	Talbros International Private Limited 1,326,970 shares (March 31, 2025: 1,326,970 shares) of ₹ 10 each	15,392.85	14,128.78
	T & T Motors Limited 83,333 shares (March 31, 2025: 83,333 shares) of ₹ 10 each	225.83	170.38
	Clean Max Kaziranga Private Limited 55,960 Equity Shares (March 31, 2025: nil) of ₹ 10 each	353.67	-
	Others		
	(Unquoted, at fair value through profit and loss)		
	Caparo Power Limited 2,378 equity shares (March 31, 2025: 2,378 shares) of ₹ 42.04 each	1.00	1.00
		16,218.94	**14,540.73**
	Aggregate amount of quoted investments	-	-
	Aggregate market value of quoted investments	-	-
	Aggregate amount of unquoted investments	16,218.94	14,540.73
	Aggregate amount of impairment in value of investments	-	-

*The Company holds investment in unquoted equity instruments that are not held for trading but are maintained for medium to long-term strategic purposes. Due to the absence of an active market and the wide range of possible fair value measurements, determining a reliable fair value is impracticable. Furthermore, the cost of obtaining such fair value information would outweigh the benefits to users of the financial statements. Accordingly, cost has been considered the best estimate of fair value.

NOTE - 7

A LOANS - CURRENT

(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Inter-corporate deposits	45.85	158.46
	45.85	**158.46**

NOTE - 8

A Other financial assets - non-current

(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Security deposits	275.72	264.40
Bank deposits with more than 12 months maturity*	448.85	2,854.08
	724.57	**3,118.48**

**Under lien with banks amounting to ₹ 6.24 Lakhs (Previous Year - ₹ 6.04 Lakhs) as security against borrowings.*

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 8 (CONTD.)

B Other financial assets - current
(Unsecured, considered good)

	As at March 31, 2026	As at March 31, 2025
Recoverable from employees	57.47	40.96
Security deposits	25.27	25.27
Derivative assets on forward contracts	-	51.63
Claims and other recoverable	73.60	72.90
	156.34	**190.76**

NOTE - 9

Non-current tax assets	March 31, 2026	March 31, 2025
Advance income tax	2,896.36	2,694.29
Less: Provision for taxation	(2,741.67)	(2,529.10)
	154.69	**165.19**

NOTE - 10

A Other non-current assets

	March 31, 2026	March 31, 2025
Prepaid expenses	6.40	10.19
Accrued lease income	28.44	35.58
Capital advances	405.81	301.59
	440.65	**347.36**
B Other current assets		
Advances to suppliers		
- Considered good	1,099.80	642.55
- Considered doubtful	74.24	56.84
Balance with government authorities		
- Considered good	1,199.18	929.48
- Considered doubtful	225.11	167.45
Prepaid expenses	258.28	156.85
Insurance claim receivables	0.54	11.84
Surplus planned assets	303.39	266.56
Accrued lease income	12.00	1.43
Others	339.10	337.10
	3,511.64	**2,570.10**
Less : Provision for doubtful advances	(299.35)	(224.29)
	3,212.29	**2,345.81**

NOTE - 11 INVENTORIES

(Lower of cost or net realizable value)		
Raw material	5,357.38	4,873.34
Work in progress	4,562.53	4,063.35
Finished goods including stock in trade	3,684.07	3,060.83
Stores and spares	985.35	587.86
	14,589.33	**12,585.38**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 11 INVENTORIES (CONTD.)

i) The above includes goods in transit as under:		
Raw material	1,156.83	1,207.29
Stores and spares	-	-
	1,156.83	**1,207.29**

NOTE - 12 TRADE RECEIVABLES^

Trade receivables considered good, unsecured	28,220.55	24,569.56
Trade receivables - which have significant increase in credit risk	113.82	88.47
Trade receivables - credit impaired	452.37	455.27
	28,786.74	**25,113.30**
Less: Allowance for expected credit loss	(566.19)	(543.74)
	28,220.55	**24,569.56**

	March 31, 2026	March 31, 2025
Includes trade receivables from companies in which directors are interested^		
Marelli Talbros Chassis Systems Private Ltd.	22.01	-
Talbros Marugo Rubber Private Limited	8.10	8.19
QH Talbros Private Limited	2,162.08	1,069.58
Talbros Indiparts Private Limited	684.88	665.06

*Refer note 46 for ageing details

^Refer note 39 for related party transactions

The Group's exposure to credit and currency risk and loss allowances related to trade receivables are disclosed in note 37.

NOTE - 13 CASH AND CASH EQUIVALENTS

	As at March 31, 2026	As at March 31, 2025
Cash and cash equivalents		
Cash on hand	10.03	10.41
Balances with banks		
-in current accounts	2,698.84	1,457.97
Deposits with original maturity less than 3 months*	873.92	15.91
	3,582.79	**1,484.29**

NOTE - 14 OTHER BANK BALANCES

	As at March 31, 2026	As at March 31, 2025
Deposits with maturity of not less than 3 months but not more than 12 months	7,358.97	4,335.53
Margin money deposits (under lien with banks)	414.32	463.62
Earmarked balances with banks		
- Unpaid dividend account	22.03	20.93
	7,795.32	**4,820.08**

NOTE - 15 EQUITY SHARE CAPITAL

		As at March 31, 2026		As at March 31, 2025	
		No. of shares	Amount	No. of shares	Amount
i	**Authorised**				
	Equity shares of ₹ 2 each	10,00,00,000	2,000.00	10,00,00,000	2,000.00
		10,00,00,000	**2,000.00**	**10,00,00,000**	**2,000.00**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 15 EQUITY SHARE CAPITAL (CONTD.)

ii	**Issued, subscribed and fully paid up**				
	Equity shares of ₹ 2 each	6,17,28,150	1,234.56	6,17,28,150	1,234.56
		6,17,28,150	**1,234.56**	**6,17,28,150**	**1,234.56**
iii	**Reconciliation of number of equity shares outstanding at the beginning and at the end of the year**				
	Equity shares				
	Balance at the beginning of the year	6,17,28,150	1,234.56	6,17,28,150	1,234.56
	Changes during the year	-	-	-	-
	Balance at the end of the year	**6,17,28,150**	**1,234.56**	**6,17,28,150**	**1,234.56**

iv Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of ₹ 2 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of shareholders in ensuing Annual General Meeting.

v Details of equity shares held by shareholders holding more than 5% shares in the Company

Name of the equity shareholders	As at March 31, 2026		As at March 31, 2025	
	No. of shares	**%**	**No. of shares**	**%**
Talbros International Private Limited	2,64,77,983	42.89%	2,64,77,983	42.89%

vi There are no shares issued for consideration other than cash and no shares have been bought back in last five years.

vii There are no shares reserved for issue under options or other purpose.

viii The Company has completed the split/sub-division of its existing Equity Shares from ₹ 10/- (Rupees Ten only) each share to ₹ 2/- (Rupees Two only) each share as per record date of October 27, 2023, as approved by shareholders at AGM of the Company held on September 25, 2023.

NOTE - 16 OTHER EQUITY

	As at March 31, 2026	As at March 31, 2025
General reserve	998.23	948.23
Retained earnings	55,691.19	45,738.15
Capital reserve	15.21	15.21
Securities premium reserve	4,678.30	4,678.30
Equity instruments through other comprehensive income	11,677.69	10,649.31
Total other equity	**73,060.63**	**62,029.21**

Nature and purpose of other reserves

i General reserve

General reserve is created out of the accumulated profits of the Group as per the provisions of Companies Act. The transfers from rentained earnings to General reserve represents transfer as per the provision of Companies Act on dividend distribution.

ii Retained earnings

All the profits made by the Group are transferred to retained earnings from statement of profit and loss.

iii Capital reserve

Capital reserve includes the amount of share application money forfeited by the Holding Company.

iv Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilized in accordance with provisions of the Companies Act.

v Equity instruments through other comprehensive income

Other comprehensive income represents balance arising on account of changes in fair value of FVOCI equity instruments, net of any tax impact.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 17

A Long term borrowings

	As at March 31, 2026	As at March 31, 2025
Secured		
Term Loans		
From banks - Rupee loan		
- Yes bank	153.20	294.62
- Vehicle Loans	48.21	62.64
	201.41	**357.26**
Amount disclosed under other financial liabilities and Short-term borrowings:		
Current maturity of long-term debts	155.85	166.48
Interest accrued on borrowings	55.14	73.25

Notes:

1. The Company has taken vehicle loans from banks. The amount is secured against moveable fixed assets.
2. Term Loan from Yes bank Ltd. is secured by first charge on property, plant and equipment to be purchased out of proceeds of the term loan and further secured by personal guarantee of three directors.
3. For Repayment terms and Interest rates for the outstanding long term borrowings, refer table below:

Particulars	Terms of repayment	Interest Rate	March 31, 2026	March 31, 2025
Term loans, secured				
From banks - Rupee loan				
Vehicle Loans	The vehicle loan term ranges between 3 - 5 years with equated monthly payment beginning from the month of commencement of the loan.	March 31, 2026: 8.54% March 31, 2025: 8.00% to 8.15%	48.21	62.64
Yes Bank	60 equal monthly installment after 12 months moratorium period from the date of first disbursement.	March 31, 2026 - 8.85% to 9.50% March 31, 2025 -8.85% to 9.50%	153.20	294.62
From others:				
			201.41	**357.26**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 17 (CONTD.)

		As at March 31, 2026	As at March 31, 2025
B	**Short term borrowings**		
	Current maturity of long-term borrowings	155.85	166.48
	Secured		
	a) Working capital loan from bank		
	HDFC Bank*	3,619.22	3,908.19
	DBS Bank*	-	84.33
	Yes Bank*	300.00	300.00
	Axis Bank*	1,200.00	1,500.00
	Federal Bank *	899.80	1,315.59
	ICICI Bank*	1,114.14	676.41
		7,289.01	**7,951.00**

Notes:

* Working capital loans from HDFC Bank, DBS Bank, Federal Bank, Axis Bank, ICICI Bank and Yes Bank are secured by way of first pari-passu charge to all current assets, both present and future. Further, secured by second pari-passu charge on all the fixed assets, both present and future, excluding those exclusively charged to other lenders.

Short-term borrowings (excluding current maturities of long-term borrowings)

Particulars	Terms of repayment	Interest Rate	March 31, 2026	March 31, 2025
Working capital loan, secured				
HDFC Bank	Within 365 days	March 31, 2026: 7.75% to 8.64% March 31, 2025: 4.96% to 8.71%	3,619.22	3,908.19
DBS Bank	Within 365 days	March 31, 2026: Nil March 31, 2025: 9.05% to 9.60%	-	84.33
Yes Bank	Within 365 days	March 31, 2026: 7.55% to 8.30% March 31, 2025: 6.32% to 8.40%"	300.00	300.00
Axis Bank	Within 365 days	March 31, 2026: 7.80% to 8.25% March 31, 2025: 8.17% to 8.35%	1,200.00	1,500.00
Federal Bank	Within 365 days	March 31, 2026: 7.75% to 8.25% March 31, 2025: 6.15% to 8.35%	899.80	1,315.59
ICICI Bank	Within 365 days	March 31, 2026: 7.75% to 8.25% March 31, 2025: 8.20% to 9.25%	1,114.14	676.41
			7,133.16	**7,784.52**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 17 (CONTD.)

C Reconciliation of liabilities arising from financing activities

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Lease liabilities	Long-term borrowings	Short-term borrowings^	Total
As at March 31, 2025	**1,073.57**	**523.74**	**7,788.15**	**9,385.46**
Cash flow:				
- Proceeds from Borrowings	-	-	-	**-**
- Additions	-	-		**-**
- Repayment (including matured deposits)	(281.46)	(166.48)	(653.73)	**(1,101.67)**
Other movements:				
- Movement in bills discounted from banks	-	-	-	-
Other non-cash movements:				
- Accrual of interest on lease liabilities	87.31	-	-	**87.31**
As at March 31, 2026	**879.42**	**357.26**	**7,134.42**	**8,371.10**

^including unclaimed matured deposits

		As at March 31, 2026	As at March 31, 2025
NOTE - 18			
A	**Lease liabilities - non-current**		
	Lease liabilities	599.63	804.00
		599.63	**804.00**
B	**Lease liabilities - current**		
	Lease liabilities	279.79	269.57
		279.79	**269.57**
NOTE - 19			
A	**Other financial liabilities - non-current**		
	Security deposits	23.00	48.20
		23.00	**48.20**
B	**Other financial liabilities - current**		
	Derivative liability on forward contracts	213.86	-
	Interest accrued on borrowings	55.14	73.25
	Employee related payables	726.75	609.81
	Security deposits	87.48	63.10
	Unclaimed dividend	22.03	20.93
	Unclaimed matured deposits	1.26	3.63
	Other payables	29.65	28.55
		1,136.17	**799.27**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

		As at March 31, 2026	As at March 31, 2025
NOTE - 20			
A	**Provisions - non-current**		
	Employees' long-term benefits		
	Compensated absences	278.09	266.98
		278.09	**266.98**
	For movements in each class of provision during the financial year, refer note 44		
B	**Provisions - current**		
	Employees' long-term benefits		
	Compensated absences	129.35	136.50
		129.35	**136.50**
	For movements in each class of provision during the financial year, refer note 44		
NOTE - 21			
Deferred tax liabilities			
Deferred tax liabilities arising on account of :			
Depreciation		575.45	567.00
Equity instruments carried at FVOCI		3,546.67	3,234.34
Others		-	-
Deferred tax asset arising on account of :			
Allowance for doubtful debts and advances		217.84	193.30
Disallowances u/s 43B		133.12	127.95
Others		32.07	13.94
		3,739.09	**3,466.15**

Particulars	March 31, 2025	Adjusted from Provision for Taxation	Recognized in statement of profit and loss	Recognized in other comprehensive income	March 31, 2026
Deferred tax liability:					
Depreciation	567.00	-	8.45	-	575.45
Equity instruments carried at FVOCI	3,234.34	-	-	312.33	3,546.67
Others	-	-	-	-	-
Deferred tax asset:					
Allowance for doubtful debts and advances	193.30	-	24.54	-	217.84
Disallowances u/s 43B	127.95	-	12.33	(7.16)	133.12
Others	13.94	-	18.13	-	32.07
	3,466.15	**-**	**(46.55)**	**319.49**	**3,739.09**

Note:

		March 31, 2026	March 31, 2025
(i)	**Breakup of amounts recognized in statement of profit and loss:**		
	Recognized as part of:	(46.55)	(41.77)
	- Deferred tax	**(46.55)**	**(41.77)**

(ii) The Group does not recognise deferred tax liability ₹ 1,586.82 Lakhs (March 31, 2025 : ₹ 1,075.92 Lakhs) with respect to unremitted retained earnings of joint ventures wherever it controls the timing of the distribution of profits and it is probable that the joint venture will not distribute the profits in the foreseeable future.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 22

		As at March 31, 2026	As at March 31, 2025
A	**Other non-current liabilities**		
	Deferred income	12.07	16.44
	Advance from customers^	32.40	-
		44.47	**16.44**
B	**Other current liabilities**		
	Advance from customers^	325.86	587.07
	Payable to statutory authorities	229.33	125.39
	Deferred income	4.37	4.59
		559.56	**717.05**
	^represents contract liabilities		
	Reconciliation of contract liabilities:		
	Contract liabilities at the beginning of the year	587.07	547.12
	Less: performance obligations satisfied in current year	(348.43)	(90.93)
	Add: advance received during the year	119.62	130.88
	Contract liabilities at the end of the year	**358.26**	**587.07**

NOTE - 23

Trade payables*

Total outstanding dues of micro enterprises and small enterprises	1,098.75	888.37
Total outstanding dues of creditors other than micro enterprises and small enterprises	18,836.88	16,069.46
	19,935.63	**16,957.83**

**Refer note 39 for related party transactions and note 46 for ageing details.*

The Group has received below information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") as at March 31, 2026 and March 31, 2025:

Particulars		**March 31, 2026**	**March 31, 2025**
i	the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	1,098.75	888.37
ii	the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
iii	the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-
iv	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
v	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 24

	Year ended March 31, 2026	Year ended March 31, 2025
Revenue from operations		
Sale of products	81,983.69	77,413.61
Sale of services	75.85	-
Other operating income	4,944.62	5,291.61
	87,004.16	**82,705.22**
Disaggregation of revenue:		
Gaskets	54,339.83	50,726.32
Forgings	27,643.86	26,687.28
Sale of services	75.85	-
Others	4,944.62	5,291.62
	87,004.16	**82,705.22**

Refer material accounting policy for information about the Company's performance obligations

NOTE - 25 OTHER INCOME

Interest income on:		
- Inter corporate deposits	10.95	26.07
- Fixed deposits with banks	581.90	565.66
- Other financial assets at amortized cost	9.51	8.60
Dividend income from:		
- Related parties	355.49	355.48
Royalty	147.54	126.91
Lease rentals	324.49	296.16
Net gain on foreign currency transactions	-	199.55
Profit on sale of property, plant and equipment (net)	114.16	158.76
Other non-operating income	302.52	30.62
	1,846.56	**1,767.81**

NOTE - 26 COST OF MATERIALS CONSUMED

Opening inventory	4,873.34	5,463.24
Add: Purchases	46,305.45	42,467.80
	51,178.79	**47,931.04**
Less: Closing inventory	5,357.38	4,873.34
	45,821.41	**43,057.70**
Cost of raw materials consumed include:		
Tinplate/P.C.R.C.A/steel/copper	9,422.79	9,554.55
Jointing	11,137.26	9,136.52
Forging steels	13,467.30	13,625.97
Bought out auto components and parts	8,026.36	6,924.11
Others	3,767.70	3,816.55
	45,821.41	**43,057.70**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 27 PURCHASE OF STOCK-IN-TRADE

	Year ended March 31, 2026	Year ended March 31, 2025
Purchase of stock-in-trade		
Dyna bond	396.47	405.92
	396.47	**405.92**

NOTE - 28

Change in inventories of finished goods, work in progress and stock-in-trade		
Inventories at the end of the year:		
Finished goods (including stock in trade)	3,684.07	3,060.83
Work-in-progress	4,562.53	4,063.35
Inventories at the beginning of the year:		
Finished goods (including stock in trade)	3,060.83	2,827.61
Work-in-progress	4,063.35	3,768.01
Net decrease	**(1,122.42)**	**(528.56)**

NOTE - 29

Employee benefits expense		
Salaries and wages	8,950.16	8,316.22
Contributions to provident and other fund	399.50	345.58
Staff welfare expenses	595.60	564.05
	9,945.26	**9,225.85**

NOTE - 30

Finance costs		
Interest on borrowings	1,114.71	1,151.45
Interest on lease liabilities	87.32	103.91
Interest on others	4.17	3.66
Other borrowing cost	111.16	110.63
	1,317.36	**1,369.65**

NOTE - 31

Depreciation and amortization expense		
Depreciation on:		
- Property plant and equipment^	3,291.04	3,169.07
- Investment property	16.67	16.66
Amortization of:		
- Intangible assets	22.51	56.63
	3,330.22	**3,242.36**
Less: depreciation capitalized	61.93	54.55
	3,268.29	**3,187.81**

^Includes depreciation on right of use assets ₹ 251.65 Lakhs (previous year ₹ 251.65 Lakhs)

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 32

	Year ended March 31, 2026	Year ended March 31, 2025
Other expenses		
Consumption of stores and spares parts	5,792.35	6,348.77
Labour and processing charges	811.63	727.87
Royalty	-	47.63
Power and fuel	3,111.42	2,614.74
Rent	35.97	29.83
Repairs to buildings	49.90	72.90
Repairs to plant & machinery	886.05	672.38
Repairs to other assets	323.73	370.18
Insurance	211.98	200.71
Travelling, tour & conveyance	1,212.89	1,123.68
Sales promotion expenses	195.03	269.05
Packing, freight & forwarding	4,130.00	3,525.80
Rates and taxes	27.46	30.14
Corporate social responsibility expenditure	160.88	129.01
Allowance for doubtful trade receivables/advances	137.66	135.00
Advances written off	-	0.10
Legal and professional	292.08	289.93
Payment to auditors:		
- **As Auditors:**		
Audit fee	15.84	16.20
Tax audit fee	2.20	2.20
- **In other capacity:**		
Limited review	3.30	3.30
Other services	6.30	0.30
Out of pocket expenses	2.39	4.00
Donation	13.74	11.76
Net loss on foreign currency transactions	72.24	-
Miscellaneous expenses	805.22	959.71
	18,300.26	**17,585.19**

i Corporate social responsibility expenses

The requisite disclosure relating to CSR expenditure in terms of Guidance Note on Corporate Social Responsibility (CSR) issued by Institute of Chartered Accountants of India:

a) Gross amount required to be spent by the Company during the year is ₹ 160.88 Lakhs (March 31, 2025: ₹ 129.01 Lakhs).

b) Amount spent during the financial year ended March 31, 2026 and March 31, 2025 on:

Particulars	Year	Amount paid	Amount yet to be paid	Total
Contribution to Prime Minister's National Relief Fund	March 31, 2026		-	-
	March 31, 2025	2.10	-	2.10
Donation paid to charitable trust	March 31, 2026	160.88	-	160.88
	March 31, 2025	126.91	-	126.91

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 33

	Year ended March 31, 2026	Year ended March 31, 2025
Exceptional items		
Profit on sale of investment in joint venture	-	-
Less: expenses incurred in relation to the sale of investment	-	-
	-	**-**

NOTE - 34

	Year ended March 31, 2026	Year ended March 31, 2025
Income tax		
Tax expense comprises of:		
Current tax	2,741.67	2,529.10
Deferred tax charge	(46.55)	(41.77)
Earlier years tax adjustments (net)	(13.56)	12.69
Income tax expense reported in the statement of profit and loss	**2,681.56**	**2,500.02**

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.168% and the reported tax expense in profit or loss are as follows:

Accounting profit before income tax	**13,092.56**	**11,943.29**
At India's statutory income tax rate of 25.168%/Capital gain tax rate of 22.88%	3,295.14	3,005.89
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impact of different rate of tax	(25.10)	(13.14)
Earlier years tax adjustments (net)	(13.56)	12.69
Impact of tax on profit from joint ventures	510.17	416.79
Impact of tax on dividend received from joint ventures	35.59	29.65
Others	(1120.68)	(951.86)
Income tax expense	**2,681.56**	**2,500.02**

NOTE - 35

EARNINGS PER SHARE (EPS)		
Profit attributable to equity shareholders	10,411.00	9,443.27
Profit attributable to equity shareholders adjusted for the effect of dilution	10,411.00	9,443.27
Weighted average number of equity shares for Basic EPS	61,728,150	61,728,150
Weighted average number of equity shares for Diluted EPS	61,728,150	61,728,150
(1) Basic *	16.87	15.30
(2) Diluted *	16.87	15.30

* EPS for the previous year has been restated due to adjustment of share split

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36

Fair value disclosures

(i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability

(ii) Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2026	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL	-	-	1.00	1.00
Investments at FVOCI	-	-	16,217.94	16,217.94
Total financial assets	**-**	**-**	**16,218.94**	**16,218.94**

March 31, 2025	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL	-	-	1.00	1.00
Investments at FVOCI	-	-	14,539.73	14,539.73
Derivative Asset on forward contracts	-	51.63	-	51.63
Total financial assets	**-**	**51.63**	**14,540.73**	**14,592.36**

(iii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of adjusted net asset value method for certain equity investment and discounted cash flow method (income approach) for remaining equity instruments.

(iv) The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iii) above for the valuation techniques adopted.

Particulars	Fair value as at		Significant unobservable inputs	Data inputs		Sensitivity*	
	March 31, 2026	March 31, 2025		March 31, 2026	March 31, 2025	1% increase in inputs	1% decrease in inputs
Unquoted equity shares#	16,217.94	14,539.73	Terminal growth rate	5%	5%	March 31, 2026:- ₹ 16,493 Lakhs March 31, 2025: - ₹ 15,050 Lakhs	March 31, 2026:- ₹ 15,985 Lakhs March 31, 2025: - ₹ 14,121 Lakhs

**Sensitivity has been considered for mentioned inputs, keeping the other variables constant*

#excluding investment in equity shares measured at fair value through profit and loss, as the cost of investment is considered the fair value thereof.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 36 (CONTD.)

(v) The following table presents the changes in level 3 items for the year ended March 31, 2026 and March 31, 2025:

Particulars	Equity shares
As at March 31, 2024	**13,838.00**
Disposal during the year	-
Gain recognized in other comprehensive income	701.73
As at March 31, 2025	**14,539.73**
Additions during the year	337.50
Disposal during the year	-
Gain recognized in other comprehensive income	1,340.71
As at March 31, 2026	**16,217.94**

(vi) Fair value of instruments measured at amortized cost

Fair value of instruments measured at amortized cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2026		March 31, 2025	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	275.72	276.46	264.40	264.40
Other financial assets	Level 3	448.85	448.85	2,854.08	2,854.08
Total financial assets		**724.57**	**725.31**	**3,118.48**	**3,118.48**
Financial liabilities					
Borrowings	Level 3	412.40	412.40	596.99	596.99
Other financial liabilities	Level 3	23.00	23.57	48.20	48.06
Total financial liabilities		**435.40**	**435.97**	**645.19**	**645.05**

The management assessed that cash and cash equivalents, other bank balances, trade receivables, other financial asset, trade payables, other financial liabilities and short-term borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

(ii) The fair values of the Group's interest-bearing borrowings, loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2026 was assessed to be insignificant.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT

(i) Financial instruments by category

Particulars	March 31, 2026			March 31, 2025		
	FVTPL	FVOCI	Amortized cost	FVTPL	FVOCI	Amortized cost
Financial assets						
Investments*	1.00	16,217.94	-	1.00	14,539.73	-
Trade receivables	-	-	28,220.55	-	-	24,569.56
Loans	-	-	45.85	-	-	158.46
Cash and cash equivalents	-	-	3,582.79	-	-	1,484.29
Other bank balances	-	-	7,795.32	-	-	4,820.08
Other financial assets	-	-	579.92	51.63	-	2,967.94
Security deposits	-	-	300.99	-	-	289.67
Total financial assets	**1.00**	**16,217.94**	**40,525.42**	**52.63**	**14,539.73**	**34,290.00**
Financial liabilities						
Borrowings	-	-	7,545.56	-	-	8,381.51
Lease liabilities	-	-	879.42	-	-	1,073.57
Trade payables	-	-	19,935.63	-	-	16,957.83
Other financial liabilities	213.86	-	890.17	-	-	774.22
Total financial liabilities	**213.86**	**-**	**29,250.78**	**-**	**-**	**27,187.13**

*Investments in joint venture are carried at cost per Ind AS 27 – Separate financial statements and therefore, not presented here.

(ii) Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. Following are the sources of risk which the Group is exposed to and how the Group manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortized cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognized financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Holding Company has investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Group's risk management is carried out by a central treasury department (of the Holding Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

(A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortized cost, and
- deposits with banks and financial institutions

a) Credit risk management

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2026	March 31, 2025
A: Low	Loans	45.85	158.46
	Other financial assets	880.91	3,257.61
	Cash and cash equivalents	3,582.79	1,484.29
	Other bank balances	7,795.32	4,820.08
B: Medium	Trade receivables	28,786.74	25,113.30

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due.

Other financial assets measured at amortized cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Trade receivables

(i) The Group recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by 'analysing historical trend of default relevant based on the criteria defined above. And such provision percentage determined have been 'considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met).

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	March 31, 2026		March 31, 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Gross debtors where no specific default has occurred	28,147.24	639.50	24,745.90	367.40
Expected loss rate	1.91%	4.41%	2.12%	5.34%
Expected credit loss (loss allowance provision)	538.00	28.19	524.11	19.63

(ii) Reconciliation of loss allowance provision from beginning to end of reporting period:

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2024	**568.99**
Add: Changes in loss allowances	(25.25)
Loss allowance on March 31, 2025	**543.74**
Less: Changes in loss allowances	22.45
Loss allowance on March 31, 2026	**566.19**

Other financial assets measured at amortized cost

Group provides for expected credit losses on other financial assets by assessing individual financial instruments for expectation of any credit losses. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Group does not have any expected loss based impairment recognized on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Financing arrangements

The Group has access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	As at March 31, 2026	As at March 31, 2025
Expiring within one year (cash credit and other facilities)	2,192.61	4,146.67
Expiring beyond one year (bank loans - floating rate)	492.91	492.91

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

March 31, 2026	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,311.33	214.33	-	**7,525.66**
Security deposit received	87.48	-	23.00	**110.48**
Trade payable	19,935.63	-	-	**19,935.63**
Other financial liabilities*	1,048.69	-	-	**1,048.69**
Total	**28,383.13**	**214.33**	**23.00**	**28,620.46**

March 31, 2025	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	7,989.80	380.13	16.00	**8,385.93**
Security deposit received	63.10	31.26	16.94	**111.31**
Trade payable	16,957.83	-	-	**16,957.83**
Other financial liabilities*	736.17	-	-	**736.17**
Total	**25,746.90**	**411.39**	**32.94**	**26,191.23**

*excludes lease liabilities, for maturities of lease liabilities refer note 43 (i) D.

(C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, Yen and Euro. Foreign exchange risk arises from recognized assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities. Considering the low volume of foreign currency transactions, the Group's exposure to foreign currency risk is limited.

Exposure to currency risk:

Particulars of unhedged foreign currency exposures as at year end:

Particulars	March 31, 2026	March 31, 2025
Import trade payables:		
EURO (in Lakhs)	1.38	3.45
INR (₹ in Lakhs)	150.16	317.66
USD (in Lakhs)	30.02	36.04
INR (₹ in Lakhs)	2,838.86	3,081.48
GBP (in Lakhs)	0.91	-
INR (₹ in Lakhs)	114.58	-
JPY (in Lakhs)	135.45	590.20
INR (₹ in Lakhs)	80.16	335.53
Export trade receivables:		
EURO (in Lakhs)	31.10	34.46
INR (₹ in Lakhs)	3,381.03	3,177.06
USD (in Lakhs)	29.69	30.04
INR (₹ in Lakhs)	2,807.51	2,567.92

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

Particulars	March 31, 2026	March 31, 2025
GBP (in Lakhs)	0.20	0.16
INR (₹ in Lakhs)	24.63	17.50
AUD (in Lakhs)	0.00	-
'INR (₹ in Lakhs)	0.08	-

The Group does not enter into any derivative instruments for trading or speculative purposes. The forward exchange contracts outstanding as at year end are as under:

Particulars	March 31, 2026	March 31, 2025
Foreign exchange forward contracts to sell foreign currency		
EURO (in Lakhs)	25.00	24.00
INR (₹)	2,796.94	2,262.51

All the above contracts are maturing within one year.

Sensitivity

A reasonably possible strengthening (weakening) of the ₹ against all other currencies at March 31, would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthening		Weakening	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Financial assets					
10% movement (previous year 5%)	EURO	(241.77)	(106.99)	241.77	106.99
7% movement (previous year 4%)	USD	1.64	15.37	(1.64)	(15.37)
4% movement (previous year 5%)	YEN	2.40	12.55	(2.40)	(12.55)

(ii) Interest rate risk

The Group's fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowing:

Particulars	March 31, 2026	March 31, 2025
Variable rate borrowing	7,442.21	8,220.56
Fixed rate borrowing	48.21	87.70
Total borrowings	**7,490.42**	**8,308.26**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	March 31, 2026	March 31, 2025
Interest rates – increase by 50 basis points	(27.85)	(30.76)
Interest rates – decrease by 50 basis points	27.85	30.76

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 37 FINANCIAL RISK MANAGEMENT (CONTD.)

iii) Assets

The Group's fixed deposits are carried at amortized cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

iv) Price risk

Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Particulars	March 31, 2026	March 31, 2025
Investments carried at fair value through other comprehensive income	16,217.94	14,539.73
Investments carried at fair value through statement of profit and loss	1.00	1.00
Total investments	**16,218.94**	**14,540.73**

Sensitivity

Refer note 36(iv) for sensitivity analysis.

NOTE - 38

A Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern

- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio at March 31, 2026 was as follows.

Particulars	March 31, 2026	March 31, 2025
Total borrowings	7,545.56	8,381.51
Less : cash and cash equivalents	3,582.79	1,484.29
Net debt	**3,962.77**	**6,897.22**
Total equity	74,295.19	63,263.77
Adjusted net debt to adjusted equity ratio	**0.05**	**0.11**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 38 (CONTD.)

B Dividend

Particulars	March 31, 2026	March 31, 2025
Proposed dividend		
Proposed dividend for the year ended March 31, 2026 - ₹ 0.55 per share (March 31, 2025 - ₹ 0.50 per share)	339.50	308.64
Final dividend paid		
Final and Interim dividend paid during the year ended March 31, 2026 - ₹ 0.70 per share (March 31, 2025 - ₹ 0.70 per share)	432.11	432.09

NOTE - 39

Related party transactions

In accordance with the requirements of Ind AS 24 the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions and year end balances with them as identified and certified by the management are given below:

i) Parties where control exists:

Jointly controlled entities

(i) Marelli Talbros Chassis Systems Private Limited

(ii) Talbros Marugo Rubber Private Limited

Investing party in respect of which the Company is a subsidiary

(i) Talbros International Private Limited

Key management personnel and their relatives

(i) Mr. Naresh Talwar

(ii) Mr. Umesh Talwar

(iii) Mr. Varun Talwar

(iv) Mr. Anuj Talwar

(v) Mrs. Kum Kum Talwar (mother of Mr. Varun Talwar)

(vi) Mr. Vidur Talwar

(vii) Mr. Navin Juneja

(viii) Mr. Rakesh Vohra

(ix) Mr. Tarun Singhal

(x) Ms. Priyanka Gulati

(xi) Mr. Ajay K. Vij

(xii) Mr. Deepak Jain

(xiii) Mr. Manish Khanna - Chief Financial Officer

(xiv) Ms. Seema Narang - Company Secretary

Fellow Subsidiaries

(i) QH Talbros Private Limited

(ii) Talbros Indiparts Private Limited

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 39 (CONTD.)

(ii) Transactions with related parties carried out in the ordinary course of business:

(a) Transactions with joint ventures and fellow subsidiaries:

S. No.	Particulars	2025-26	2024-25
1	**Sale of goods**		
	QH Talbros Private Limited	7,536.99	7,324.66
	Talbros Indiparts Private Limited	3,620.16	3,735.42
	Talbros Marugo Rubber Private Limited	0.16	63.89
2	**Sale of services**		
	Talbros Marugo Rubber Private Limited	35.40	35.40
3	**Royalty income**		
	QH Talbros Private Limited	135.71	122.39
	Talbros Indiparts Private Limited	31.56	27.36
4	**Lease rental income**		
	Marelli Talbros Chassis Systems Private Limited	241.22	229.73
	Talbros Indiparts Private Limited	18.93	18.03
5	**Reimbursement of expenses/payments**		
	Marelli Talbros Chassis Systems Private Limited	168.56	142.88
	Talbros Marugo Rubber Private Limited	-	5.09
	Talbros International Private Limited	65.41	11.52
	QH Talbros Private Limited	10.06	1.85
	Talbros Indiparts Private Limited	13.25	23.60
6	**Dividend paid**		
	Talbros International Private Limited	185.35	185.35
7	**Dividend Received**		
	Talbros International Private Limited	265.39	265.39
	QH Talbros Private Limited	80.08	80.08
	Marelli Talbros Chassis Systems Private Limited	141.36	117.80

Note: All transactions are inclusive of taxes, wherever applicable

The amount of transactions are without giving effect to the Ind AS adjustments on account of fair valuation/ amortization.

S. No.	Balance Outstanding at the end of the year	2025-26	2024-25
1	**Outstanding balance included in financial assets (Trade receivable and other recoverable)**		
	Talbros Marugo Rubber Private Limited	8.10	8.19
	QH Talbros Private Limited	2,162.08	1,069.58
	Marelli Talbros Chassis Systems Private Limited	22.01	11.24

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 39 (CONTD.)

S. No.	Balance Outstanding at the end of the year	2025-26	2024-25
	Talbros Indiparts Private Limited	684.88	665.06
2	**Outstanding balance included in financial liabilities**		
	Marelli Talbros Chassis Systems Private Limited	22.26	22.26

(b) Transactions with key management personnel and their relatives :

S. No.	Particulars	2025-26	2024-25
1	**Remuneration**		
	Short-term employee benefits		
	Mr. Umesh Talwar	181.80	181.80
	Mr. Anuj Talwar	181.80	181.80
	Mr. Manish Khanna	58.52	58.71
	Ms. Seema Narang	39.75	39.99
	Other long-term benefits		
	Mr. Umesh Talwar	(1.26)	(0.02)
	Mr. Anuj Talwar	1.17	1.15
	Mr. Manish Khanna	(4.94)	5.51
	Ms. Seema Narang	(0.88)	0.68
	Post-employment benefits		
	Mr. Umesh Talwar	18.08	18.08
	Mr. Anuj Talwar	22.42	21.28
	Mr. Manish Khanna	5.12	3.77
	Ms. Seema Narang	4.10	4.37
	Fee for attending board & committee meetings to all the KMP's	27.20	21.45
2	**Rent paid**		
	Mrs. Kum Kum Talwar	7.20	7.20

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 40 ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013.

Name of the entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit and loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total consolidated income	Amount
Parent								
Talbros Automotive Components Limited	88.65%	65,862.26	79.17%	8,242.53	99.73%	1,049.64	81.06%	9,292.17
Joint venture (Investment as per the equity method)								
Indian								
Marelli Talbros Chassis Systems Private Limited	9.06%	6,731.77	16.87%	1,756.44	-0.09%	(0.90)	15.31%	1,755.54
Talbros Marugo Rubber Private Limited	2.29%	1,701.16	3.96%	412.03	0.36%	3.78	3.63%	415.81
Total	**100.00%**	**74,295.19**	**100.00%**	**10,411.00**	**100.00%**	**1,052.52**	**100.00%**	**11,463.52**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41 GROUP INFORMATION

(a) Interests in joint ventures

Set out below are joint ventures of the Holding Company as at March 31, 2026 which, in the opinion of the directors, are material to the Holding Company. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% equity Interest	Relationship	Accounting method
Talbros Marugo Rubber Private Limited	India	50% less one share	Joint Venture	Equity method
Marelli Talbros Chassis Systems Private Limited	India	50%	Joint Venture	Equity method

(i) Contingent liabilities and commitments (net of advance) in respect of joint ventures for which the Holding Company is liable.

(a) Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) ₹ 719.27 Lakhs (March 31, 2025: ₹ 1482.10 Lakhs).

(b) Outstanding exports commitments against EPCG license amounting to ₹ 1235.30 (March 31, 2025 : ₹ 1418.40).

(c) Guarantees executed in favour of customers and authorities amounting to ₹ 7.90 Lakhs (March 31, 2025: ₹ 22.75 Lakhs).

(d) Demand of GST amounting to ₹ 10.88 Lakhs(March 31, 2025 : Nil).

(e) **Income tax demands pending in appeals**

Income tax demand on disallowance of expenditures amounting to Nil (March 31, 2025: Nil).

(f) **Custom duty**

Differential custom duty due to dispute over classificcation of goods amounting to Nil (March 31, 2025: Nil).

(g) Bonus payable amounting to Nil (March 31, 2025: Nil).

(ii) Summarised financial information for joint venture

The tables below provide summarised financial information for those joint ventures that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not Holding Company's share of those amounts.

Summarised balance sheet	Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current assets				
Cash and cash equivalents	334.65	175.35	9.30	0.80
Other assets	4,285.85	4,053.66	13,730.10	6,518.80
Total current assets	**4,620.50**	**4,229.01**	**13,739.40**	**6,519.60**
Property, plant and equipment	3,205.77	3,033.19	6,394.90	4,998.10
Other assets	969.76	1,143.68	10,040.71	8,721.23
Total non-current assets	**4,175.53**	**4,176.87**	**16,435.61**	**13,719.33**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 41 GROUP INFORMATION (CONTD.)

Summarised balance sheet	Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Current liabilities				
Trade payables	2,713.58	2,929.63	4,231.20	3,922.30
Financial liabilities (excluding trade payables)	957.14	912.39	4,986.55	2,246.33
Other liabilities	42.83	79.10	4,422.30	294.70
Total current liabilities	**3,713.55**	**3,921.12**	**13,640.05**	**6,463.33**
Non-current liabilities				
Financial liabilities	1,384.62	1,782.98	2,280.30	2,773.70
Other liabilities	295.53	131.07	791.13	766.70
Total non-current liabilities	**1,680.15**	**1,914.05**	**3,071.43**	**3,540.40**
Net assets	**3,402.33**	**2,570.71**	**13,463.53**	**10,235.20**

Reconciliation to carrying amounts

Particulars	Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Opening net assets	**2,570.71**	**1,880.20**	**10,235.20**	**7,607.90**
Profit/ (loss) for the year	824.06	685.52	3,512.87	2,862.10
Other comprehensive income	7.56	4.99	(1.80)	0.80
Dividends paid	-	-	(282.74)	(235.60)
Closing net assets	**3,402.33**	**2,570.71**	**13,463.53**	**10,235.20**
Holding Company's share in %	50.00%	50.00%	50.00%	50.00%
Holding Company's share in Indian Rupees	1,701.17	1,285.35	6,731.77	5,117.60
Sale of investment in joint venture	-	-	-	-
Carrying amount as at March 31, 2026 and March 31, 2025	**1,701.17**	**1,285.35**	**6,731.77**	**5,117.60**

Summarised statement of profit and loss

	Talbros Marugo Rubber Private Limited		Marelli Talbros Chassis Systems Private Limited	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Revenue	14,673.09	12,984.51	34,261.60	28,443.10
Other income	5.47	21.15	335.50	56.60
Depreciation and amortization	467.83	421.48	1,113.23	787.87
Income tax expense	357.02	261.11	1,182.70	755.30
Profit/(loss) for the year	**824.06**	**685.52**	**3,512.87**	**2,862.10**
Other comprehensive income	7.56	4.99	(1.80)	0.80
Total comprehensive income	**831.62**	**690.51**	**3,511.07**	**2,862.90**

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 42

Contingent liabilities and commitments (to the extent not provided for)

A Contingent liabilities

(1) Claims against the Holding Company not acknowledged as debts:-

Particulars	Nature of dues	March 31, 2026	March 31, 2025
(i) Service tax	Cenvat credit disallowed	8.85	8.85
(ii) Uttarakhand value added tax	Demand of Sale tax case 2016-17	37.73	5.34
(iii) Customs Act	Demand of custom duty (includes ₹ 4.13 Lakhs paid under protest)	36.09	36.09
(iv) Employee's state insurance	ESI demand	33.28	33.28
(v) Municipal Corporation of Faridabad	Demand for external development charges	255.00	255.00
(vi) Labour disputes	Litigations filed by employees	37.74	37.74
(vii) Bonus payable*	Bonus payable for 2014-15	40.23	40.23
Total		**448.92**	**416.53**

*Retrospective bonus liability for 2014-15 consequent to enactment of Payment of Bonus (Amendment) Act, 2015 has been considered as contingent liability, since stay has been granted by various High Courts.

(2) Guarantees executed in favour of various authorities/ customers/ others amounting to ₹ 175.69 Lakhs (March 31, 2025: ₹ 140.21 Lakhs).

B Estimated amount of contracts remaining to be executed on capital accounts and not provided for:

Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances) - ₹ 409.76 Lakhs (March 31, 2025: ₹ 529.53 Lakhs).

NOTE - 43

(i) Leases disclosure as lessee

A The Holding Company has taken vehicles and residential/commercial premises on lease. There are no restrictions placed upon the Holding Company by entering into these leases and there are no subleases. The Holding Company is prohibited from selling or pledging the underlying leased assets as security.

B Lease liabilities are presented in the statement of financial position as follows:

Particulars	March 31, 2026	March 31, 2025
Non-curent	599.63	804.00
Current	279.79	269.57
Total	**879.42**	**1,073.57**

C The table below describes the nature of the Holding Company's leasing activities by type of right-of-use asset recognized on balance sheet:

Particulars	No of right-of-use assets leased	Range of remaining term (years)	Average remaining lease term (years)
Building	2	2-7	4.63
Land	2	66-72	69.20

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 43 (CONTD.)

D Future minimum lease payments as on March 31, 2026 are as follows:

Particulars	As at March 31, 2026			As at March 31, 2025		
	Lease payments	Finance charges	Net present values	Lease payments	Finance charges	Net present values
Minimum lease payments due						
Within 1 year	292.45	68.91	223.54	281.46	87.31	194.15
1-5 years	675.00	84.45	590.55	923.49	145.86	777.63
5 years or more	69.79	4.46	65.33	113.75	11.96	101.79
	1,037.24	**157.82**	**879.42**	**1,318.70**	**245.13**	**1,073.57**

E Lease payments not recognized as a liability

The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	Amount	
	March 31, 2026	March 31, 2025
Short term leases	35.97	29.83
Leases of low value assets	-	-
Variable lease payments	-	-
Total	**35.97**	**29.83**

F Additional information on the right-of-use assets by class of assets is as follows:

	Carrying amount	Depreciation expense
As on March 31, 2025		
Building	1,029.47	247.05
Land	337.57	4.60
	1,367.04	**251.65**
As on March 31, 2026		
Building	782.42	247.05
Land	332.97	4.60
	1,115.39	**251.65**

(ii) Leases disclosure as lessor

Operating leases

The Company has given surplus office and factory building on operating lease. The lease arrangement is for a period of 5 years and renewable with mutual consent. The lease rentals of ₹324.49 Lakhs (March 31, 2025: ₹296.16 Lakhs) on such lease is included in other income. Lease income is recognized in the statement of profit and loss under “Other income” (refer note 25). With respect to non-cancellable period of the operating lease, the future minimum lease rentals receivable are as follows:

Particulars	March 31, 2026	March 31, 2025
Within one year	320.55	316.46
Later than one year but not later than five years	448.94	740.72
Later than five years	40.84	37.04

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44

Employee benefits

1 Defined contribution plans:

A Defined contribution plans:

The Holding Company operates defined contribution retirement benefit plans under which the Company pays fixed contributions to separate entities (funds) or financial institutions or state managed benefit schemes. The Holding Company has no further payment obligations once the contributions have been paid. Following are the schemes covered under defined contributions plans of the Holding Company:

Provident Fund Plan & Employee Pension Scheme: The Holding Company makes monthly contributions at prescribed rates towards Employee Provident Fund/ Employee Pension Scheme to fund administered and managed by the Government of India.

Superannuation Scheme: The Holding Company contributes towards a fund established to provide superannuation benefit to certain employees in terms of Group Superannuation Policies entered into by such fund.

B The expense recognized during the period towards defined contribution plans are as follows:

Particulars	March 31, 2026	March 31, 2025
(a) Employer's contribution to Provident fund & other funds	364.41	268.28
(b) Employer's contribution to superannuation fund	6.67	7.00

2 Other Long Term Employee Benefits

A Compensated absences- Earned leave

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

i) Amounts recognized in the balance sheet

Particulars	March 31, 2026	March 31, 2025
Present value of obligation at the end of the year	407.44	403.48
Fair value of plan assets	-	-
Unfunded liability recognized in balance sheet	(407.44)	(403.48)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44 (CONTD.)

ii) Expenses recognized in statement of profit and loss

Particulars	March 31, 2026	March 31, 2025
Current service cost	123.58	130.07
Interest cost	25.02	22.55
Past service cost	18.04	
Actuarial (gain)/loss net on account of:		
- Changes in demographic assumptions		
- Changes in financial assumptions	(23.69)	2.45
- Changes in experience adjustment	(53.96)	(30.85)
Cost recognized during the year	**88.99**	**124.22**

iii) Movement in the liability recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of defined benefit obligation at the beginning of the year	403.48	344.62
Current service cost	123.58	130.07
Past service cost	18.04	
Interest cost	25.02	22.55
Actuarial (gain)/loss net	(77.65)	(28.40)
Benefits paid	(85.03)	(65.36)
Present value of defined benefit obligation at the end of the year	**407.44**	**403.48**

iv) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2026	March 31, 2025
Discount rate	7.80%	6.93%
Salary escalation rate*	5.5/20%	5.5/20%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

3 Defined benefit plans:

A Gratuity

Risk

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Investment risk	Assets & Liabilities can mismatch in funded plans. Actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44 (CONTD.)

i) Amounts recognized in the balance sheet

Particulars	March 31, 2026	March 31, 2025
Present value of obligation at the end of the year	1,040.94	942.82
Fair value of plan assets	1,344.33	1,209.38
Unfunded liability/provision in balance sheet	-	-
Surplus/(Unfunded liability) recognized in balance sheet	303.39	266.56

ii) Expenses recognized in other comprehensive income

Particulars	March 31, 2026	March 31, 2025
Return on plan assets	(6.17)	(4.61)
Actuarial (gain)/loss on PBO	(22.25)	13.52
(Gain)/expenses recognized in other comprehensive income	(28.42)	8.91

iii) Actuarial (gain)/loss on obligation

Particulars	March 31, 2026	March 31, 2025
Actuarial (gain)/loss net on account of:		
- Changes in financial assumptions	(63.93)	20.40
- Changes in experience adjustment	41.68	(6.88)

iv) Expenses recognized in statement of profit and loss

Particulars	March 31, 2026	March 31, 2025
past service cost	55.30	-
Current service cost	46.20	76.68
Interest cost (net)	(21.50)	(19.17)
Cost recognized during the year	**80.00**	**57.51**

*The Government of India has notified four new Labour Codes subsuming 29 legislations relating thereto effective November 21, 2025, however, the supporting rules are yet to be notified. The Group has reassessed its employee benefit obligations in accordance with the revised definition of wages. Accordingly, an incremental liability on account of past service cost in accordance with IND AS 19 - Employee Benefits on account of gratuity amounting to ₹ 55.30 lakhs and leave encashment of ₹ 18.04 lakhs has been charged to the Profit and Loss Account for the year ended March 31, 2026. The Group continues to monitor developments relating to the implementation of the New Labour Codes and will review its estimates and assumptions on an ongoing basis.

v) Movement in the liability recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of defined benefit obligation at the beginning of the year	942.82	854.81
Current service cost	46.20	76.68
Interest cost	63.69	59.57
Past service cost	55.30	
Actuarial (gain)/loss net	(22.25)	13.52
Benefits paid	(44.82)	(61.76)
Present value of defined benefit obligation at the end of the year	**1,040.94**	**942.82**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44 (CONTD.)

vi) Movement in the fair value of plan assets recognized in the balance sheet is as under:

Particulars	March 31, 2026	March 31, 2025
Present value of plan assets at the beginning of the year	1,209.38	1,072.18
Return on plan assets	91.37	83.35
Contributions by employer	88.40	115.61
Benefits paid during the year	(44.82)	(61.76)
Present value of plan assets at the end of the year	**1,344.33**	**1,209.38**

vii) (a) For determination of the liability of the Holding Company the following actuarial assumptions were used:

Particulars	March 31, 2026	March 31, 2025
Discount rate	7.80%	6.92%
Salary escalation rate	5.5/20%	5.5/20%
Retirement age (years)	58	58
Withdrawal rate	1% to 3%	1% to 3%

Mortality rates inclusive of provision for disability -100% of IALM (2012-14)

vii) (b) Maturity profile of defined benefit obligation (Based on present length of service)

For the year ended March 31, 2026	For the year ended March 31, 2025	March 31, 2026	March 31, 2025
April 2026- March 2027	April 2025- March 2026	270.20	237.52
April 2027- March 2031	April 2026- March 2030	248.64	217.40
April 2031- March 2036	April 2030- March 2035	372.60	301.40
April 2036 onwards	April 2035 onwards	1,125.14	996.13

vii) (c) Maturity profile of defined benefit obligation (Based on terminal length of service)

For the year ended March 31, 2026	For the year ended March 31, 2025	March 31, 2026	March 31, 2025
April 2026- March 2027	April 2025- March 2026	271.98	239.14
April 2027- March 2031	April 2026- March 2030	311.26	272.66
April 2031- March 2036	April 2030- March 2035	659.10	546.29
April 2036 onwards	April 2035 onwards	4,001.69	3,296.88

viii) Sensitivity analysis for defined benefit obligation

Particulars	March 31, 2026	March 31, 2025
a) Impact of the change in discount rate		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	976.58	879.96
Impact due to decrease of 1.00 %	1,114.18	1,014.88
b) Impact of the change in salary increase		
Present value of obligation at the end of the year		
Impact due to increase of 1.00 %	1,141.13	1,034.59
Impact due to decrease of 1.00 %	957.91	864.05

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 44 (CONTD.)

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

The weighted average duration of the defined benefit obligation as at March 31, 2026 is 16.40 years (March 31, 2025: 16.52 years).

NOTE - 45

Research and development costs on inhouse Research and Development centers charged to the statement of profit and loss for the year ended March 31, 2026 is ₹ 290.57 Lakhs (Revenue of ₹ 290.57 Lakhs, Capital Nil),March 31, 2025: ₹ 322.41 Lakhs. (Revenue of ₹ 306.91 Lakhs, Capital ₹15.50 Lakhs).

NOTE - 46

Disclosures as per the requirements of Division II of Schedule III to the Act

A Ageing schedule of capital work-in-progress

March 31, 2026	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,589.64	556.84	26.40	-	**2,172.88**

March 31, 2025	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2,175.73	93.15	3.01	1.80	**2,273.69**

B Ageing schedule of trade receivables

March 31, 2026	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	19,347.43	8,006.23	793.58	187.13	-	-	28,334.37
Undisputed trade receivables – credit impaired	-	-	-	344.38	13.54	94.45	452.37
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	**19,347.43**	**8,006.23**	**793.58**	**531.51**	**13.54**	**94.45**	**28,786.74**
Less: Allowance for expected credit loss							566.19
Total							**28,220.55**

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 46 (CONTD.)

March 31, 2025	Outstanding from the due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	18,964.28	5,242.54	451.21	-	-	-	24,658.03
Undisputed trade receivables – credit impaired	-	-	87.87	34.17	99.51	233.72	455.27
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
Gross Trade Receivable	18,964.28	5,242.54	539.08	34.17	99.51	233.72	25,113.30
Less: Allowance for expected credit loss							543.74
Total							**24,569.56**

C Ageing schedule of trade payables

March 31, 2026	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	1,098.75	-	-	-	-	1,098.75
Others	15,476.33	3,216.07	126.26	16.73	1.49	18,836.88
Total	**16,575.08**	**3,216.07**	**126.26**	**16.73**	**1.49**	**19,935.63**

March 31, 2025	Outstanding from the due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Micro, small and medium enterprises	888.37	-	-	-	-	888.37
Others	13,142.10	2,901.40	21.44	1.92	2.60	16,069.46
Total	**14,030.47**	**2,901.40**	**21.44**	**1.92**	**2.60**	**16,957.83**

D Details of promoter shareholding

Name of promoter	March 31, 2026			March 31, 2025		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Umesh Talwar	9,37,550	1.52%	0.00%	9,37,550	1.52%	0.00%
Vidur Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Bimpi Talwar	9,37,545	1.52%	0.00%	9,37,545	1.52%	0.00%
Naresh Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Asha Burman	2,16,735	0.35%	0.00%	2,16,735	0.35%	0.00%
Varun Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Anuj Talwar	18,75,090	3.04%	0.00%	18,75,090	3.04%	0.00%

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 46 (CONTD.)

Name of promoter	March 31, 2026			March 31, 2025		
	Number of shares*	% of total shares	% change during the period	Number of shares	% of total shares	% change during the period
Kumkum Talwar	14,06,320	2.28%	0.00%	14,06,320	2.28%	0.00%
Talbros International Private Limited	2,64,77,983	42.89%	0.00%	2,64,77,983	42.89%	0.00%

E Information about Supplier Finance Arrangements

Particulars	As at March 31, 2026	As at March 31, 2025
1. Carrying amount of liabilities that are part of supplier finance arrangements		
(a) Presented within borrowings	-	-
(b) Presented within trade payables	7,465.07	6,388.62
2. Carrying amount of liabilities for which suppliers have already received payment from finance providers	7,465.07	6,388.62
3. Range of payment due dates		
(a) Liabilities under supplier finance arrangements	150–250 days from invoice date	150–250 days from invoice date
(b) Comparable trade payables not part of supplier finance arrangements	60–90 days from invoice date	60–90 days from invoice date

Additional Information:

1. **Terms and conditions:** Under the arrangements, the finance provider pays the supplier within 5 days of invoice approval. The Company settles the finance provider within 150-250 days from the invoice date, as compared to the normal credit period of 60-90 days agreed with suppliers outside the arrangement. There are no financial covenants or security associated with these arrangements.

2. **Non-cash changes:** There were no material non-cash changes in liabilities under supplier finance arrangements during the year due to arising from foreign exchange movements or other non-cash factors. Payments made by finance providers to suppliers under these arrangements are considered non-cash transactions, with the Company settling the corresponding obligations at a later date through operating cash outflows as part of its normal operating cycle.

NOTE - 47

Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Group has determined its only one operating segment of manufacturing of “Auto Components”. Further, in terms of Paragraph 4 and 31 of Ind AS 108 ‘Operating Segments’, entity wide disclosures have been presented below.

i Information about major customers

There is only two customers that contributes more than 10% of the total revenue from operating activities on an individual basis.

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 47 (CONTD.)

ii Information about geographical areas

Particulars	March 31, 2026	March 31, 2025
Revenue from operations attributed to:		
Country of domicile (India)	62,160.31	57,682.43
Foreign countries	24,843.85	25,022.79
Total	**87,004.16**	**82,705.22**

NOTE - 48

Disclosure required under Section 186 (4) of The Companies Act, 2013:

(a) Investments made:

Name of the investee	Amount invested during the year 2025-26	Amount as on March 31, 2026	Amount invested during the year 2024-25	Amount as on March 31, 2025
Investment in equity instruments				
Investment in Joint ventures				
(i) Marelli Talbros Chassis Systems Private Limited	-	1,178.00	-	1,178.00
(ii) Talbros Marugo Rubber Private Limited	-	950.00	-	950.00
Investment in others				
(i) Talbros International Private Limited	-	642.32	-	642.32
(ii) QH Talbros Private Limited	-	-	-	-
(iii) T & T Motors Private Limited	-	13.75	-	13.75
(iv) Clean Max Kaziranga Private Limited	337.50	337.50	-	-
(iv) Caparo Power Limited	-	1.00	1.00	1.00
Total	**337.50**	**3,122.57**	**1.00**	**2,785.07**

(b) Inter corporate deposits given (proposed to be utilized for business purposes):

Name of the payee	Paid/ (recovered) during the year 2025-26	Outstanding amount as on March 31, 2026*	Paid/ (recovered) during the year 2024-25	Outstanding amount as on March 31, 2025*
(i) Bankey Bihari Engineers LLP	(10.00)	40.00	(25.00)	50.00
(ii) Express Engineers & Spares Private Limited	(85.00)	-	(80.00)	85.00
Total	**(95.00)**	**40.00**	**(105.00)**	**135.00**

* Outstanding amount excludes interest accrued on deposits.

(c) Guarantee given (proposed to be utilized for business purposes):

Name of the person on behalf of whom guarantee/counter guarantee is given	Outstanding amount as on March 31, 2026	Outstanding amount as on March 31, 2025
(i) Marugo Rubber Industries, Japan (for the benefit of Talbros Marugo Rubber Pvt. Ltd.)	200.00	200.00

Notes to the Consolidated Financial Statements for the year ended March 31, 2026 (Contd.)

(All amounts in ₹ Lakhs, unless otherwise stated)

NOTE - 49

Disclosure on audit trail

The Company has used one accounting software namely SAP business One for maintaining its books of account at different locations for the financial year ended March 31, 2026, In this SAP Business one software has a feature of recording an audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the Finance module of the software.

NOTE - 50

Additional regulatory information required by Schedule III to the Companies Act, 2013

(i) The Group does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the Rules made thereunder.

(ii) The Group has not been declared a wilful defaulter by any bank or financial institution or other lender or government or any government authority.

(iii) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

(iv) The Group has not traded or invested in cryptocurrency or virtual currency during the year.

(v) The Group does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies beyond the statutory period.

(vi) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities (“”Intermediaries””) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall, whether directly or indirectly lend or invest in other persons/ entities identified in any other manner whatsoever by or on behalf of the Group (‘ultimate beneficiaries’) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (“”Funding party””) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(viii) The Group does not have any transactions with companies struck off.

(ix) The Group has complied with the requirement with respect to the number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

For J.C Bhalla & Co
Chartered Accountants
Firm Registration No.: 001111N

per **Piyush Tripathi**
Partner
Membership No. 524288

Place: Gurugram
Date: May 20, 2026

For and on behalf of Talbros Automotive Components Limited

Anuj Talwar
Managing Director
[DIN: 00628063]

Manish Khanna
Chief Financial Officer

Umesh Talwar
Chairman
[DIN: 00059271]

Seema Narang
Company Secretary

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Corporate Information

Board of Directors

Executive Directors

Mr. Umesh Talwar
Chairman

Mr. Varun Talwar
Vice Chairman and Managing Director

Mr. Anuj Talwar
Managing Director

Non- Executive Directors

Mr. Naresh Talwar

Mr. Vidur Talwar

Mr. Navin Juneja

Independent Directors

Ms. Priyanka Gulati

Mr. Deepak Jain (till June 1, 2026)

Mr. Ajay Kumar Vij

Mr. Tarun Singhal

Mr. Rajat Verma (till March 13, 2026)

Mr. Rakesh Vohra

Mr. Pratham Mittal

Chief Executive Officer

Mr. Ashish Gupta

Chief Financial Officer

Mr. Manish Khanna

Company Secretary and Compliance Officer

Mrs. Seema Narang

Main Bankers

- HDFC Bank Limited
- Axis Bank Limited
- Federal Bank Limited
- YES Bank Limited
- ICICI Bank Limited

Auditors

J. C. Bhalla & Co.,

Chartered Accountants,

B-5, Sector-6, Noida – 201301

Registrar and Share Transfer Agent

KFin Technologies Limited,
Selenium Tower B,
Plot Nos. 31 & 32,
Financial District, Gachibowli,
Hyderabad – 500032

Stock Exchanges where Shares are Listed

- National Stock Exchange of India Limited (NSE)
- BSE Limited

Corporate Identification Number

L29199HR1956PLC033107

Website

www.talbros.com

CIN: L29199HR1956PLC033107

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